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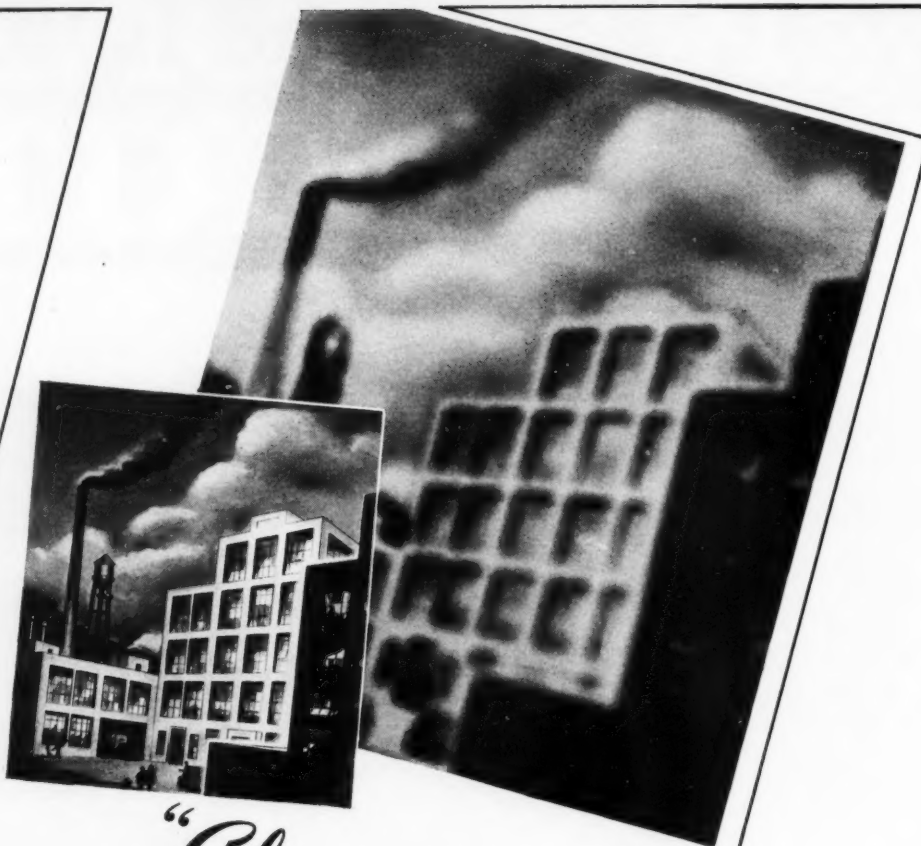
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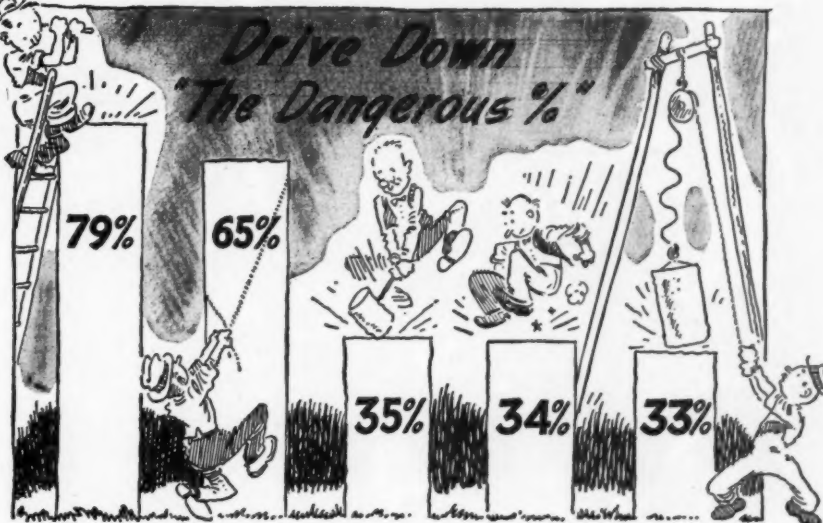
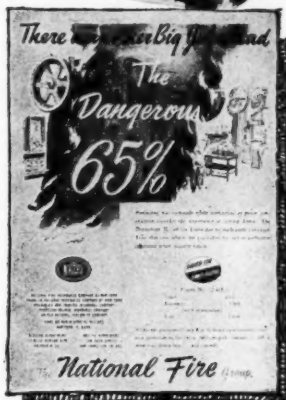
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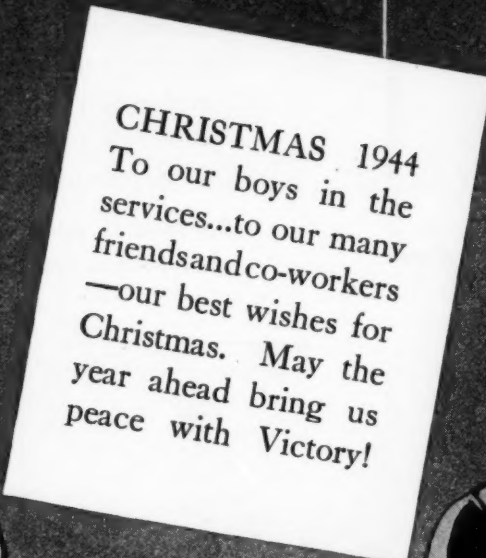
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## Two Minutes to Go with Ball on the 40-Yard Line

### Watch Stock Fire Group for Last Minute Washing- ton Rapprochement

NEW YORK—With the stock fire-marine and casualty plenipotentiaries away in Washington, it appeared that if there were to be a last-minute rapprochement with the commissioners on the question of federal legislation, it would materialize at Washington rather than in the final deliberations of the National Association of Insurance Commissioners' meeting here.

Last week the stock fire, marine and casualty companies appointed a committee with full power to take any action it deemed advisable in connection with the federal legislative program. That committee, now in Washington, is the only authorized spokesman for these companies. President Johnson of the N.A.I.C., armed with full authorization to get the commissioners' program enacted in its present form or one consistent with its basic principles, was staying here only long enough to straighten out final details before he, too, headed for Washington.

As the N.A.I.C. meeting drew near its close the feeling among commissioners and company men alike was that with Congress aiming for a mid-December adjournment there was not an hour to be wasted in getting needed legislation enacted. Among those familiar with congressional procedure the fear was that leaders in both houses, with an eye on the calendar, would shortly agree to consider no controversial bills or to limit consideration to certain specified bills, which might very well freeze out either the Bailey-Walter bill or the commissioners' proposal.

"We're on the 40-yard line with two minutes to play and that's not so good in any football game," a fire company executive remarked.

Several congressmen have told insurance men that they don't like the feature of the commissioners' proposal which gives a blanket exemption from the Sherman act until July 1, 1948, except for boycott, coercion, or intimidation. They feel that the exemption period is unduly long and wonder whether there is some political strategy involved.

There are quite a few here at the convention who feel that it is extremely important to get some sort of bill through the present session of Congress. They say that if the matter goes over to the next session and the industry and the commissioners are still not agreed it will be easy for the federal supervision advocates to move in with their own remedies.

#### OUTLOOK IN WASHINGTON

WASHINGTON—As the 78th Congress moved down the home stretch toward its dissolution in a holiday recess the outlook for insurance legislation seemed to observers here to blacken, although respective supporters of the Walter bill and of the N.A.I.C. draft substitute were hopeful of action within a few days.

Senator McCarran, judiciary committee chairman, upon whom supporters of

(CONTINUED ON PAGE 32)

## Report Senator Bailey for Commissioners' Bill

NEW YORK—Senator Bailey seems favorably disposed toward substituting the proposed bill of the National Association of Insurance Commissioners for the Bailey-Walter bill now pending in the Senate, members of the N.A.I.C. were told at the Sunday session of the executive committee from which all but commissioners and their staffs were excluded. Virtually the entire session was devoted to bringing the members up to date on what has been done to meet the problems growing out of the U. S. Supreme Court decision in the Southeastern Underwriters Association case.

N.A.I.C. President Johnson, Minnesota, and Harrington of Massachusetts, chairman of the federal legislation committee and immediate past president of the association, were recently in Washington where they conferred with Congressional leaders. The talked for an hour and a half with Senator Bailey, whose measure the stock fire and casualty companies and their agents have been working for because they are convinced of the necessity for an all-out exemption from the anti-trust laws, which the commissioners' bill does not provide.

#### Amending Bailey-Walter Bill

Since the Bailey-Walter bill has already been passed by the House and has been reported out by the Senate judiciary committee, the chances of getting the N.A.I.C. proposal enacted at this session appear to hinge on embodying it in the Bailey-Walter bill rather than introducing it as a separate piece of legislation. This would be done by deleting from the present Bailey-Walter bill everything below the enacting clause and substituting the text of the N.A.I.C. proposal.

Messrs. Johnson and Harrington seemed confident that if this were done the amended bill could be quickly passed in the Senate and re-passed, because of the changes, in the House equally promptly.

It was brought out at the executive committee session that the life companies have proposed that each state pass a law protecting officers, directors and trustees of corporations from being held liable to their stockholders or policyholders for having made tax payments required by state laws. The possibility that they or their directors or trustees might be sued for an accounting for having paid state premium taxes when these might be held invalid as a burden on interstate commerce has been a principal concern of life company executives in connection with the S.E.U.A. decision.

It was indicated at the session that there would be further consideration of this idea. A number of commissioners felt there would be no difficulty getting such a law passed, particularly in view of the possibility that some companies might feel it necessary to refuse to pay premium taxes until the question had been settled in the courts.

Some observers now are convinced that the stock fire casualty interests will not put up a last ditch fight for complete anti-trust exemption if it should become clear that it is a lost cause. It is believed they still feel they have a chance to get their program enacted but if the prospect becomes hopeless, then it would not be surprising if they should switch to support of the N.A.I.C. bill.

The life companies' concern is almost entirely with respect to the discriminatory feature of premium taxes—levies which tax out-of-state companies at a higher rate than domestic companies or which tax the former while exempting the latter entirely. There are some

pre-1938 U. S. Supreme Court cases which seemed to indicate that states were barred from taxing interstate transactions even on the same basis as intrastate business but since that date decisions have been handed down which give ground for believing that a properly drawn state tax statute would be held to be within the state's power if it did not discriminate against interstate business.

#### Sentiment Not Unanimous

Tuesday the executive committee held a session devoted to the question of liability of officers and directors for paying premium taxes pursuant to state laws which might later be declared invalid as unduly burdening interstate commerce. Most of the life companies seemed willing to go on paying the required taxes if the states would pass laws exempting directors from liability for doing so, but this sentiment was not unanimous and it appeared likely that even though the laws were passed an effort would be made to remove the discriminatory feature in states where it exists.

Robert L. Hogg, general manager of the American Life Convention, prepared a tentative draft of a proposal for immunity legislation which was given to the commissioners Wednesday. It would provide that no personal liability would arise against any director, trustee, officer or agent of any insurance company by reason of any payment made by or on behalf of such company on account of any taxes, licenses or fees paid pursuant to any statute, law or ordinance, even though such statute, law or ordinance should be subsequently declared or held to be invalid.

#### States in Three Categories

Studies indicate that states may be divided into three categories as respects premium taxes. States which tax out-of-state companies only, or give domestic companies a lower rate without an offsetting tax on domestic companies that would bring about equality and hence would appear unconstitutional, are Alabama, Arizona, Florida, Kansas, Maine, Michigan, Mississippi, Nebraska, New Hampshire, South Carolina, South Dakota and Washington.

The second category, states discriminating in favor of domestic companies but having offsetting taxes on them that might make them non-discriminatory, are Arkansas, Illinois, Indiana, Iowa, Kentucky, Missouri, New Mexico, North Dakota, Pennsylvania, Tennessee, West Virginia and Wisconsin; also Oklahoma, Texas, Ohio and Oregon, although these four appear to be more discriminatory than others in the group and the latter two might be included in the first category.

There appears to be no discrimination in Delaware, District of Columbia, Maryland, Massachusetts, Minnesota, New York, Rhode Island, Vermont, Virginia, and Wyoming. In the states not listed in any of the three categories, the question is believed to be so borderline for various reasons that no definite statement can be made one way or the other.

The following joint statement was presented Wednesday by the joint committee on taxation of Life Insurance Association and American Life Convention, of which President J. L. Loomis of Connecticut Mutual is chairman:

"So far as we have been able to ascertain, no life insurance company has the slightest desire to avoid the payment of premium taxes.

"Counsel for some companies, however, feel that certain premium tax

## Commissioners Hold Focus on Federal Legislation Issue

### N.A.I.C. at N. Y. Meeting, Endorses Harrington Committee Proposals

By C. M. CARTWRIGHT

NEW YORK—At the midyear meeting of the National Association of Insurance Commissioners the all-important question was what procedure to take with regard to federal legislation to protect insurance in view of the U. S. Supreme Court decision. The present Congress will adjourn in a few weeks. Hence if anything is to be done, action must be taken without delay.

The machinery has been clogged because of differences of opinion among organizations and those holding commanding positions. All have gotten out recommendations. The federal legislation committee of commissioners headed by Harrington of Massachusetts has been studying all angles diligently, endeavoring to bring together suggestions that would meet with general approval. The commissioners finally agreed on a series of recommendations which were submitted to members of Congress.

President N. R. Johnson of Minnesota and Mr. Harrington personally took the document to Washington, sent one to each legislator and conferred with many of them regarding the situation and the recommendations. All other questions and problems were submerged as this one big issue cast its shadow over the entire assembly.

#### Executive Session Sunday

The executive committee decided to make its Sunday afternoon session one of the entire body and an executive session was held at which the historical facts were presented and the commissioners brought up to date as to what had been done since the meeting last month at the Edgewater Beach hotel at Chicago when the recommendations were agreed upon.

At Monday morning's session Scheufler of Missouri, executive committee chairman, gave a review of the situation and told what had taken place. At the close of his reading a motion was presented to approve the report, which meant the endorsement of the recommendations made by the federal legislative committee. Carlson of Utah stated that he desired to ask a question, a hasty conference was held around President Johnson and Fischer of Iowa at once moved that an executive session be held. As a matter of fact, Mr. Carlson did not intend to oppose the report but felt that it should be more stringent. The executive session continued until late in the afternoon when the report was adopted by a sweeping majority, two opposing it because they de-

(CONTINUED ON PAGE 27)

statutes, because of their discriminatory nature, will be held invalid as a result of the recent Supreme Court decision. In order, therefore, to protect their directors from personal liability, some companies may reluctantly be forced to the conclusion that they must resist the payment of premium taxes in such states.

(CONTINUED ON PAGE 30)



## South Dakota Agents Elect Weller President

At the annual meeting of the South Dakota Association of Insurance Agents Sam F. Weller of Mitchell was elected president. Other officers are: Vice-president, Clifton S. Anderson, Aberdeen; secretary-treasurer, J. A. Craig, Mitchell, and directors, Earl A. Mueller, Groton; Herb Thrall, Huron; Joe Drury, Chamberlain, and Charles Hermanek, Geddes.

The executive committee consists of Mr. Anderson, chairman; Fred Leach, Yankton; Hane Johnson, Sioux Falls; Emma Gilmore, Watertown; William Assman, Winner; Fred Christenson, Sturgis; Allen Morris, Rapid City. The following legislative committee was named: George R. Barnett, Sioux Falls; James Curran, Lead; Ed. Gorgor, Aberdeen; M. P. Ohlman, Yankton. W. W. Burt of Sioux Falls is state national director.

Membership in the association is growing, retiring President Art F. Smith of Mitchell reported.

Burt Burton of Sioux Falls gave a comprehensive talk on the 1943 New York fire policy. South Dakota is using the 1886 form, he said. After considerable discussion a resolution was adopted recommending that South Dakota put the new form into effect.

Mr. Burton also discussed a non-resident agency law. The state is one of the few that does not have such a law. It was the opinion of the meeting that such a law would benefit the business and a resolution was passed favoring enactment of such a law.

W. W. Burt, state national director, gave a complete report on the national convention of the N.A.I.A.

George R. Barnett led a discussion on current problems and opportunities of the business.

## Difficult to Get Adequate Premium on Some Planes

The problem of insuring planes now being released by the government to civilian buyers of surplus seems to be to get enough premium to pay partial losses, without overinsuring. Two of the markets, Associated Underwriters and U. S. Aviation Underwriters, are not insuring these planes unless the price paid the government by the civilian buyer is at least 50% of the cost price when new. There are quite a number of planes selling for less than that figure, and some are regarded as poor insurance risks.

All three markets, including Aero Insurance Underwriters, write a policy in which there is a component parts agreement. This provides that only a certain proportion of the face amount of insurance shall be allocated to the replacement of the wing, fuselage, etc.

However, Aero has brought out what it calls a dual value policy. Under this insured buys for total loss purposes an amount of insurance equivalent to what he paid for the plane. In addition he purchases coverage that will pay up to 75% of the original cost of the plane for a partial loss. When the partial loss exceeds that proportion, it becomes a total loss, and the total loss amount is paid. The rating of the two parts of the coverage is such as to produce a total premium considerably larger than the other policy with its component parts feature.

## Minneapolis Filings Extended

MINNEAPOLIS — Federal Judge Nordbye has granted another extension in time for filing motions or pleadings in the case of Jack T. Miller against the Minneapolis Underwriters Association, Western Underwriters Association and a group of companies. The new deadline agreed to by stipulation of attorneys on both sides is Dec. 15.

## Buckman, 52-Year Veteran, Retires

Royal A. Buckman, who has been engaged in the insurance business 52 years

and who has been with Royal since 1897, has now been placed on the retired list. A "parting salute" luncheon for Mr. Buckman is being held Dec. 11 in Chicago to be attended by his old friends. The committee consists of R. F. Woltersdorff, Atlas; J. Lewis Cassell, London Assurance, and A. J. Meyer, Automobile. Mr. Buckman intends to make a trip to Texas this winter but he will retain his residence in Wilmette, Ill., with his sister. Mrs. Buckman, who had an extensive friendship among insurance people, died recently.

Mr. Buckman is the third generation of insurance men, his father and grandfather before him having been adjusters and general agents.

Mr. Buckman started as a clerk in an adjustment office at 177 La Salle street, Chicago which was the old Hampshire block. He went with Royal in 1897 as agency clerk, the offices being on the first floor of the Royal building at 160 West Jackson boulevard. He was later assigned to the loss department and later was an examiner for eight states and handled loss work during the evening.

In 1905 Mr. Buckman went into the field as state agent for Colorado, Wyoming, Kansas and South Dakota. A year later Missouri was added to his territory. He had offices in Denver and Kansas City.

### In Charge of Loss Division

In 1910 he was placed in charge of the loss division of the Chicago western department and the next year he became Illinois state agent. Then from 1919 to 1925 he was manager of the automobile department for 15 states. For the next eight years he served as executive state agent for the western department and since 1935 he has been adjuster stationed at Chicago.

He is a past most loyal gander of the Illinois Blue Goose and was president of the old Fire Underwriters Association of the Northwest. He was chairman of the automobile rate committee of the Western Automobile Conference and was a member of the executive committee of the old Illinois State Board.

Mr. Buckman takes much satisfaction in the fact that in the thousands of adjustments that he has handled there has never been a law suit.

Mr. Buckman seldom took a vacation but instead used that time to visit Royal agents throughout the country.

During his travels in Wyoming he saw the last Indian uprising when the Utes swept across Wyoming to join the Sioux in the Bad Lands of South Dakota.

## North America Quarter Century Club Gathers

PHILADELPHIA — Tribute was paid by John A. Diemand, president of North America, and by more than 100 members of the North America's Quarter-Century Club gathered at their second annual reunion, to Benjamin Rush, former president and now chairman, who recently celebrated his 75th birthday anniversary. Next year, he will observe the 50th anniversary of his association with North America.

Walter S. Pelham of the metropolitan department, who also will celebrate his 50th anniversary next year, was similarly honored. The club now comprises 196 members.



R. A. Buckman

## Farm Policy, E. C. Reinstatement, Rate Regulation Eyed

NEW YORK—The fire insurance committee of the National Association of Insurance Commissioners headed by Crabbe of Ohio took up the question of a standard farm fire policy. Some states have adopted such a form basing it on the new New York standard policy.

Harrington of Massachusetts stated that the farm policy in his state is more liberal than the proposed policy. He contended it is a mistake to enact the form of a policy into law which practically means that it cannot be changed except by legislative action. The form, he declared, should be flexible and changed from time to time as conditions change. He believes in having the state insurance department approve the farm policy, thus following the procedure adopted in life insurance contracts. To adopt a uniform policy, he said, would be unwise because farm conditions and demands differ in various sections.

Considerable discussion arose over the fire and extended coverage contract, especially in interpreting some of its phases. The question often arises as to whether it is divisible policy when it comes to reinstatement. Questions arise as to whether in the event of loss from one of the extended coverages the premium as a whole should be considered or whether the reinstatement charge should be based on the rate for the peril that caused the loss.

### Greater Uniformity Needed

Forbes of Michigan stated that in his state the commissioner has supervision over fire rates but not those of the extended coverages. It was brought out that a holder may have such a policy in different states and discover a lack of uniformity in treatment of a loss. It was felt that steps should be taken to bring about greater uniformity. It was voted to submit the question to a sub-committee for exploration and a report to be brought in at the annual meeting.

Another question discussed was standard classifications of occupational hazards. In past days there was a much larger list of classifications than at present.

Harrington declared that the commissioners undoubtedly will now have greater supervision over rates. In some states the commissioner has no such authority but he predicted that all states now would enact regulatory legislation. In going over the proceedings of the association he found that a pamphlet was printed in 1921 gotten out by the fire insurance committee of which the late Col. Button of Virginia was chairman. This went into the subject of standards for rate regulation. In fact, a formula for principles was recommended. Mr. Harrington stated that it would be well for the commissioners to read this booklet because much valuable information regarding proper rate regulation is contained in it. He said that unrestricted competition would bring chaos in the business. The question of rate regulation, he said, will be a paramount one. He said that the pamphlet of 1921 may need some revision to bring it up to date.

### Accountants Elect Dec. 15

NEW YORK—The Insurance Accountants Association will hold its annual meeting Dec. 15 at 5 p. m. at the Hotel New Yorker, New York City. The slate of officers and executive committee members published recently will be voted on. The annual dinner party will follow the meeting.

Pfc. Joe Holman, Jr., associated with his father in a local agency in Springfield, Tenn., before entering the U. S. army, missing in action in France since September, is now reported a prisoner of war in Germany.

## Mallalieu Says Fire Has Not Hampered Major War Efforts

ATLANTA—No major war effort in this country has been stopped or critically hampered by fire, W. E. Mallalieu, general manager National Board, told the war department conference on repairs and utilities. A number of generals, officers of technical services of the army and navy, British army staff, Canadian army and navy services, and War Production Board attended.

Mr. Mallalieu said fire prevention and protection plans of the war agencies had succeeded in a job that at times appeared impossible.

"Fire losses have been serious, and more severe than they should have been, but it does not appear that any major operations in the war effort have been stopped or critically hampered by fire losses in this country," he commented. "The loss of materials and facilities due to fire is a waste that is bound to have an effect, but through the planning and the proper execution of the overall plan of the war department, it has been possible to minimize the effect of the losses, serious as they are, so that there has been no major setback in the prosecution of the war attributable to fire losses."

### Abnormal Exposure Exists

The amount of property exposed to damage by fire has been far greater in proportion to normal than has the fire loss. He noted the scarcity of materials for rebuilding and the urgent need of all kinds of commodities in prosecution of the war as factors. The country cannot afford such losses today, and at any other time it is a drain on national resources that could and should be reduced.

Mr. Mallalieu was the only civilian outside the government service to address the gathering. The National Board in May, 1940, tendered all its facilities to the government, and in September, 1940, there was organized the war department advisory bureau on fire protection of all army installations in this country.

Fire protection engineers from the insurance boards and bureaus have contributed more than 16,200 man-days to the war department, in addition to service rendered the navy, coast guard, maritime commission and other war agencies. Mr. Mallalieu praised the army engineers fire fighter school, which he said would have lasting results in civilian life. L. A. Vincent, assistant to Mr. Mallalieu who is on loan to the war department supervising the advisory bureau, addressed the maintenance and repair personnel. Building construction is the principal factor in the fire protection problem in the army because so much of the construction during the war is necessarily of readily flammable type.

K. J. Carl, National Board engineer assigned to the advisory bureau, conducted a lecture demonstration and discussion on water supply and fire flow tests.

## Western Hail Association Elects Cornell President

At its annual meeting in Chicago the Western Hail & Adjustment Association elected Frank H. Cornell, secretary of Home, president to succeed J. H. Macfarlane of America Fore. E. G. Frazier, vice-president of Springfield Fire & Marine, was elected vice-president, and G. G. Classen, secretary of Great American, was elected secretary-treasurer.

Mr. Macfarlane gave a short address closing a two term administration. There were only a few minor changes, mostly in the clarification of policy terms, that were acted on. A few recommendations came up for action.

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## Eagle Star to Reinsure Fire Lines in American

### Announcement Causes Much Surprise—Marine Business Is Continued

Announcement is made by Harry G. Casper that Eagle Star, of which he is U. S. manager, as of Feb. 28 will discontinue writing fire and allied lines in the United States and that the outstanding liability will be reinsured by American. However, ocean and inland marine operations will be continued for Eagle Star through Talbot, Bird & Co., marine managers in this country.

Harry Routh, world fire manager of Eagle Star, has been in this country for the past several weeks.

The drastic decision was a complete surprise to the insurance fraternity. Eagle Star has been operating in this country since 1916 and had come to be regarded as a fixture here. Its title was formerly Eagle Star & British Dominions.

The unearned premiums for the fire and allied lines which American will reinsure, amount to about \$2 million. As of Dec. 31, 1943, Eagle Star reported assets of \$6,798,172, premium reserve \$2,320,537, surplus to policyholders \$2,158,558; net premiums written \$3,345,098, losses paid \$1,718,315, remittance to head office \$92,562, expenses paid \$1,383,213, premiums earned \$3,158,753, losses incurred \$1,965,706, the ratio being 62.2.

### Offers Complete Facilities

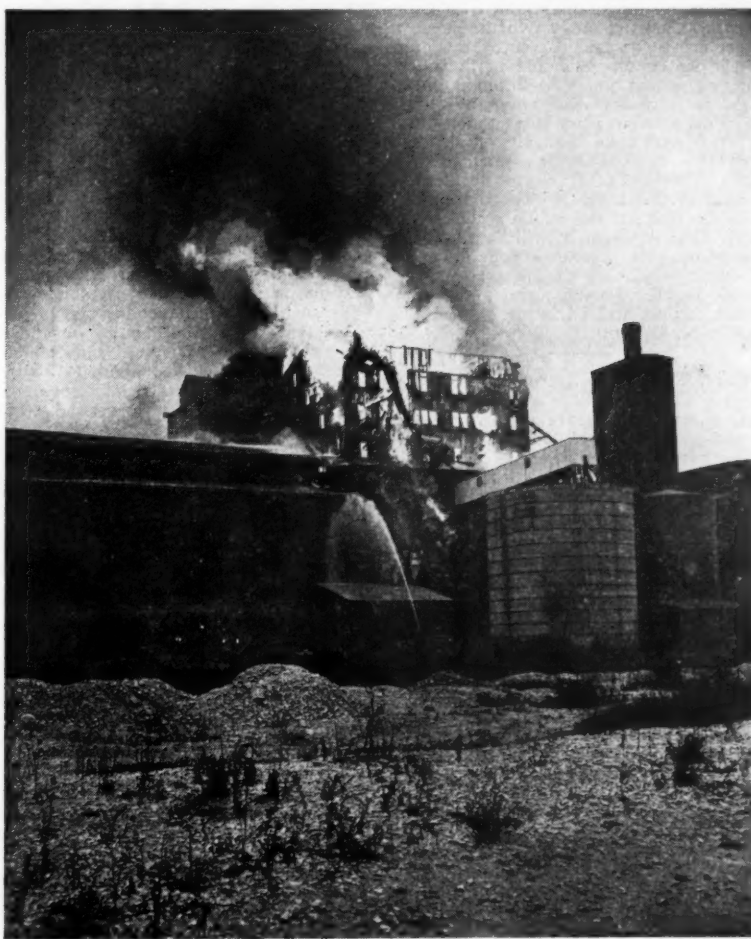
American has offered complete facilities to Eagle Star agents so as to prevent any interruption of their operations. Personnel of Eagle Star, it is understood, will be absorbed by American.

While the reasons for the decision were not announced the record of Eagle Star has been discouraging during the past few years. A decline in surplus has been suffered each year, commencing in 1940. In 1939, the surplus was \$3,350,937. The A. M. Best Co. remarked in its annual publication that over the past 10 years earnings and investment gains amounted to \$1,750,000. Appreciation in the value of investments of \$150,000 together with net investment income of \$1,804,000, however, failed to cover losses from underwriting operations aggregating \$881,000 and remittances of \$1,170,000 made to the home office. In seven of the last 10 years Eagle Star's combined losses and expenses were greater than 100% of the premium income. In 1942, Eagle Star's important ocean marine account because of the hazards of war and large additions to loss reserves developed an incurred loss experience of 99.2% on earned premiums of \$2,394,000. In 1943 the ocean marine premium volume dropped but the claim experience was very satisfactory. However, during that year the returns were unsatisfactory on other lines. About \$150,000 of the decline in surplus in 1943 was due to special New York requirements in connection with reinsurance in unauthorized companies.

### Letters Sent to Agents

A letter sent to all Eagle Star agents by Mr. Casper states that the reinsurance agreement makes it unnecessary to disturb any Eagle Star policy which an agent has issued and permits the agency to continue its normal practice in respect to new policies for a period of

(CONTINUED ON PAGE 26)



The spectacular fire which practically destroyed the Rosenbaum Grain Company elevator at 87th and Stewart on the south side of Chicago last week will result in one of the largest individual fire losses of the year, approximately \$1 1/4 million. Above the fire is shown at its height. As can be seen from the photograph, the storage tanks on either side of the elevator with one exception were practically untouched by the flames. (Acme News Photo.)

## Seek OCD Fire Equipment for Rural Areas

A proposal to redistribute fire fighting equipment of the Office of Civilian Defense to rural areas will be considered at the joint meeting of the agricultural committee of the National Fire Waste Council and the farm fire protection committee of the National Fire Protection Association in Chicago on Dec. 11. In a special report the joint committee on post-war rural fire protection points out that a large percentage of rural territory is inadequately served by fire fighting equipment. The 18,000 pumpers bought by the OCD at a cost of \$36,000,000 can be adapted at a moderate cost to communities without sufficient protection. Congressional action will be needed to get the equipment assigned to rural areas.

The Chicago conference will start at 10 a. m. on Dec. 11 in charge of Rush W. Carter, assistant Chicago manager Aetna Fire group, and chairman of the agricultural committee, and David J. Price, U. S. Department of Agriculture, past N.F.P.A. president, and chairman of the farm fire protection committee.

### Panel Discussions Scheduled

Panel discussions will cover the present status of rural fire prevention, the disposal of war emergency fire fighting equipment and reports by state committees for rural fire districts.

Richard E. Vernor, Western Actuarial Bureau, Chicago, president of the N.F.P.A., will speak at the luncheon on "Looking Ahead on Rural Fire Prevention." In the afternoon Richard

## Pacific Employers Revamps Collision Rates and Rules

LOS ANGELES—Rates and rules on private passenger automobile collision have been revised by Pacific Employers. Manual rates will apply to all forms, and the writing of 80-20 is eliminated.

All policies carrying a loss payable clause on any financed automobile are to be written on a \$20 deductible basis, premium for which shall be manual rates for \$25 deductible, without credit for A and B ration books, plus \$5. The 40-60 form will continue to be written on 40% of twice the manual convertible rate. The 50-50 participating forms will be written at manual convertible rates.

### Aviation Groups in Convention

The National Aviation Trades Association and the Aircraft Distributors & Manufacturers Association are holding their annual conventions in St. Louis this week, and a number of aviation insurance men are attending. E. L. Stephenson, Chicago manager of Associated Aviation Underwriters, was one of the speakers.

Machiele, Kent County, Mich., assistant county agricultural agent, will discuss "A County System of Rural Fire Protection"; George Tatnall, National Board, "Use of Water Fog in Rural Areas"; John Neale, Underwriters Laboratories, Chicago, "Fire Resistive Materials for Building on Farms and in Rural Communities." Committee reports will follow.

## \$1,750,000 Grain Elevator Fire Loss in Chicago

### Soybeans Account for Bulk of Liability in Rosenbaum Blaze

A loss of approximately \$1 1/4 million will be sustained by insurers as a result of the fire which practically destroyed the 10 story elevator of the Rosenbaum Grain Company at 87th and Stewart, Chicago, last week. Except for \$15,000 use and occupancy on the elevator and coverage on the adjoining Vitality Mills, the insurance is in the Underwriters Grain Association. It is said to be the largest single fire loss of the year in the country.

Because of the amount of grain involved, most of it soybeans, the salvage operations are on a large scale and will require some weeks to complete. It will be only then that the amount of loss can be definitely determined. Adjusters are optimistic about the savings that can be effected through salvage.

### \$200,000 on Elevator Structure

The main elevator structure, owned by Rosenbaum Brothers, is considered a total loss. There was a limit of \$200,000 insurance on building and equipment, and \$200,000 on other property, including boiler house, estimated at 25%. The elevator was of brick veneer construction except the top portion, which was metal sheathed. The fire burned away the top part, and puffs after the fire started, plus the swelling of grain, bulged or burst the bottom portion. The elevator had a capacity of 750,000 bushels of grain, and contained 570,000 bushels, 420,000 soybeans and the rest wheat, corn, maize, etc. The north portion was practically full of beans and because it was closely packed, the fire itself did only a small amount of damage to the grain. The beans were thoroughly wetted down, however, and salvage will be fairly expensive. Adjusters are hopeful that a considerable percentage of the grain stored in this portion will be saved.

### Grain Under Reporting Forms

The grain was insured under reporting forms and there has not been an estimate on the specific losses of the three insured involved, Rosenbaum, Central Soya Co. of Ft. Wayne, and the Drackett Co. of Cincinnati. Central Soya and Drackett are processors and had only beans in storage.

Central Soya had \$537,000 worth of beans in the tanks and \$904,000 worth in the elevator; Drackett had \$461,000 worth in the tanks, \$30,000 worth in the elevator, and Rosenbaum had \$183,000 worth in the elevator, \$74,000 in the tanks, none of it beans.

There are five 100,000 bushel metal tanks on the north and four smaller ones on the west, three of them of metal with a capacity of 25,000 bushels and one of concrete with a capacity of 50,000 bushels. With the exception of one, these tanks were either full or practically so at the time of the fire. The one 100,000 bushel tank immediately adjoining the elevator on the north was seriously damaged. Abutting on the headhouse, the structure became a total loss except for some metal salvage. The grain it contained, about 35,000 bushels, was badly damaged, although it was not damaged by fire. Fortunately it was the least full of the tanks. Also fortunately, it contained wheat, now selling for around \$1.70 a bushel, while the re-

(CONTINUED ON PAGE 26)



## St. Louis Street Car System Back to Self-Insurance

ST. LOUIS—The St. Louis Public Service Co. will return to a self-insurance basis on personal injury and property damage liability Jan. 1.

Prior to October, 1941, the street car and bus company and its predecessors had carried their own liability. In 1941, after receiving competitive bids from five casualty companies, the company entered into a contract with Hartford Accident through the Lawton-Byrne-Bruner agency to provide P. L. and P. D. for an annual premium of \$1,453,000. This was the lowest bid and more than 50% under the lowest annual liability claim total paid out by the public service company in the previous 10 years.

The Hartford contract was renewed in 1942 and again in October, 1943, but shortly thereafter the company transferred its business to Continental Casualty. The Continental Casualty contract called for a percentage of gross receipts as the premium. The total is understood to have been in excess of the \$1,453,000 paid to Hartford Accident.

The claim offices maintained by Continental Casualty at 7 North Seventh street are to be taken over by the public service company, including the operating personnel, many of whom had been with the transportation company's own claim department prior to October, 1941. When Continental Casualty took over the business it absorbed most of the claim personnel of Hartford Accident.

Paul W. Klabunde will become insurance director for the public service company. His department will handle all of the company's insurance functions, including the placing of other coverages, such as fire, windstorm, etc., and handle claims and adjustments of P. L. and P. D. losses.

Capt. Thomas E. Sears, Jr., vice-president of Thomas E. Sears, Inc., Boston agency, and Mrs. Sears are parents of a newly arrived baby daughter, born in Denver where Capt. Sears is stationed at the Rocky Mountain Arsenal. The paternal grandfather is President Thomas E. Sears of the same agency in Boston.

Lt. Comm. Louis B. McGee, member of the Thos. McGee & Sons agency, Kansas City, has been released from active duty after serving over 30 months with the coast guard and placed on the inactive list subject to recall.

## Registered Mail Cover Made Primary as to B.B.B.

The registered mail underwriters have adopted an endorsement providing that their cover, as respects any blanket bond of the sender or addressee, shall be primary while the insured property is in transit to and from postoffices and/or express offices at places of sending and address. In connection with such losses, the endorsement provides that there shall be no benefit of recovery by the registered mail underwriters under such blanket bonds. Heretofore the registered mail cover has been excess of other insurance while shipments were in transit by messengers or conveyances to and from postoffices and/or express offices.

The decision of the registered mail underwriters to assume primary and exclusive liability was made principally because bankers and brokers' blanket bonds are now being written on an experience rating basis and the collection of losses occurring to and from postoffices would greatly affect the premium charges on the bonds.

### Primary Between Postoffices

The registered mail policy has always given primary cover between postoffices, since the bankers' blanket bonds do not cover during that interval.

This change brings to mind the \$60,000 loss suffered by the First National Bank of Ottawa, Ill., in the hold-up in 1938 of a messenger while taking a shipment of currency from the Federal Reserve Bank of Chicago from the Ottawa post office to the local bank. The registered mail underwriters of the Federal Reserve Bank advanced to the Ottawa bank the amount of the loss under a loan receipt. London Lloyds that had the bankers' blanket bond on the Ottawa bank denied liability and the issue was litigated. The registered mail underwriters won a decision from Federal Judge Sullivan of Chicago and that decision was upheld by the U. S. Circuit Court of Appeals, London Lloyds was required to reimburse the registered mail underwriters with interest, the total being about \$70,000.

Under the new registered mail endorsement the loss would fall without question upon the registered mail underwriters and the blanket bond insurer would be required to make no contribution.

### Uniform Printing Unit Makes Official Changes

Floyd C. Hoffman and Donald Rein have been elected vice-presidents and C. A. Foster has been named Chicago manager of Uniform Printing & Supply Division of Courier-Citizen Co. John Mitchell, vice-president, will establish a research office in New York.

Mr. Hoffman requested to be relieved of the duties of western manager to enable him to devote more time to Uniform's authenticity service and to institute important extensions of this service to insurance companies.

Mr. Foster, formerly assistant western manager, will have management of the Chicago office and plant operations.

Direction of the western division, including Chicago operations, will be under Mr. Rein.

These changes will permit Mr. Mitchell, who has been directing both Uniform's Chicago and Brooklyn operations, to organize and direct product and sales research staff.

### Wichita Christmas Party

The Christmas party of the Wichita Association of Insurance Agents has been set for Dec. 21 with Past President A. E. Small as general chairman. Public officials and guests, including office assistants, will be present as usual and about 200 are expected.

## Retired Vice-president of Fireman's Fund Dies



GEORGE E. TOWNSEND

George E. Townsend, 68, retired vice-president of Fireman's Fund and widely known in the fire insurance field, died at Redwood City, Cal. He entered the business in 1891 and for many years was with the Pacific department of Aetna Fire. He joined Fireman's Fund in 1918, was elected assistant secretary in 1925, assistant vice-president in 1931 and vice-president in 1937. He served as president of the Fire Underwriters Association of the Pacific in 1927 and had been a life member since 1937. He retired in 1941 and has been ill for many months.

## Cravens, Dargan Urges Crop Cover Be Self-Sustaining

Price K. Johnson, assistant manager of Cravens, Dargan & Co., Houston, sent a special message to agents urging them to memorialize their Washington representative to see that any federal crop insurance measure that is adopted is placed on a self-sustaining basis rather than placing an additional burden on taxpayers. The new crop insurance bill passed the House by a vote of 254 to 16.

Mr. Johnson states that if the government can write life insurance, if it can write war damage insurance and crop insurance, "what is to prevent its writing any other form of insurance some zealot may propose?" He recalled that the National Rural Electrification Cooperatives Association sought to form companies to insure REA cooperatives. He stated the farm security administration entered Texas with an unapproved insurance contract which the Texas authorities protested, the upshot being that a change was made to another company that filed rates "which have proved disturbing to Texas local agents." He pointed out that commodity credit corporation requires no insurance on farm-stored wheat on which it has loans. Cotton insurance rates were beaten down by CCC, he said, and most insurance on loan cotton was entirely discontinued.

He recalled the words of Vice-president John A. North of Phoenix of Hartford: "Whenever the federal government has become involved in an insurance problem or contract, no matter how good the objective, the commission received by local agents is reduced."

### Dearden Buys Boston Paper

John E. Dearden of Philadelphia, publisher of the "American Underwriter," has purchased the "Insurance Age" of Boston. He intends to operate it as an independent paper at least for some time. Editor Armstrong will continue to handle the Boston paper under Mr. Dearden's supervision.

## WANT TO KEEP YOUR CUSTOMERS Satisfied WITH YOUR SERVICE?



**PROGRESSIVE**  
insurance company  
management re-  
quires more than  
just highly special-

ized experience and ample resources — necessary as they are.

It is equally important to maintain a continuous study of the changing needs of your risks — and a continuous program to improve methods of service.

You will be pleased with Pearl's friendly cooperation . . . and their ability to grasp your problems and help you keep your customers satisfied.

● PEARL ASSURANCE COMPANY, LTD.  
● EUREKA SECURITY FIRE & MARINE INSURANCE CO.  
● MONARCH FIRE INSURANCE COMPANY

# PEARL AMERICAN

HOME OFFICE: 19 RECTOR STREET, NEW YORK 6

CLEVELAND, 313 BULKLEY BLDG. NEW YORK, 26 CLIFF STREET  
PHILADELPHIA, 525 CHESTNUT ST. CINCINNATI, 1417 CAREW TOWER  
SAN FRANCISCO, 200 BUSH STREET CHICAGO, 175 W. JACKSON BLVD.

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## Senate Committee Retouches Crop Insurance Bill

WASHINGTON—In reporting the federal crop insurance bill to the Senate, its committee on agriculture made a number of amendments. The committee set maximum payment for losses on wheat, cotton and flax crops at 75% of average yield value.

### Sumners Meets with N.A.I.C.

Rep. Hatton Sumners of Texas, chairman of the House judiciary committee and one of the most influential leaders in Congress, was in New York Wednesday and had lunch with the N.A.I.C. executive committee. He had requested an opportunity to present his views and the committee was, of course, delighted to give him the opportunity. He is one of the outstanding advocates of letting the states handle all matters they are capable of handling and reversing the trend toward centralization of authority in Washington.

### Expect Most Veterans to Return to Old Jobs

HARTFORD—Personnel officers of Hartford insurance companies attended an informal luncheon to discuss the rehabilitation of returning veterans. A subsequent survey of the local companies revealed that most of them expect a high proportion of their men in the service to return to their old jobs. Most companies feel that manpower problems will more or less straighten themselves out at that time, with the number of returning servicemen offsetting the number of temporary and part-time employees who will wish to leave their jobs when the war ends.

While Hartford companies are discussing and planning refresher courses and other means of reintegrating war veterans, no specific plans have been announced.

### Report Senator Bailey for Commissioners' Bill

(CONTINUED FROM PAGE 5)

"1—If section 1 of the N.A.I.C. proposal were enacted, some companies otherwise constrained to resist will be advised to pay their premium taxes under discriminatory statutes without protest.

"2—If domiciliary states were to enact statutes relieving directors of personal liability for the payment of premium taxes under statutes subsequently held invalid, other companies will feel free to pay their premium taxes without protest in such states.

"3—Even if such federal and state statutes were enacted, there can be no assurance that some companies, because of advice of counsel or because of circumstances peculiar to certain states may not still be constrained to pay certain premium taxes under protest."

### Sir Eustace Pulbrook Again Heads London Lloyds

NEW YORK—Sir Eustace Ralph Pulbrook again has been reelected chairman of the committee of London Lloyds. Philip D'Ambrumenil was elected deputy chairman. Sir Eustace first was elected to the committee in 1921, became deputy chairman in 1925 and was chairman in 1926 and 1940-44, inclusive. His election for the sixth year established a new record. He was due to retire by rotation from the committee but a by-law was passed permitting his reelection to the committee for four years.

Sir Eustace headed two important missions for Lloyds to the United States in 1937. He and W. J. Boxford, principal clerk of Lloyds, arranged the renewal of Lloyds' Illinois license, and in 1942 he and Mr. D'Ambrumenil, a prominent underwriter, worked out the plan resulting in the creation of Bico, the British insurance-communications office in New York City.

Mr. D'Ambrumenil has been an underwriting member at Lloyds since 1912

and also is a Lloyds broker. He was first elected to the committee in 1929.

Lt. Stanley K. Sammons, was reported killed in action on the European front Nov. 11. He was an accountant in Millers National home office, and is the first casualty from that office. Lt. Sammons was born in India, the son of missionary parents.

### California Change Favored

SAN FRANCISCO—Interest and approval of the proposed amendment to

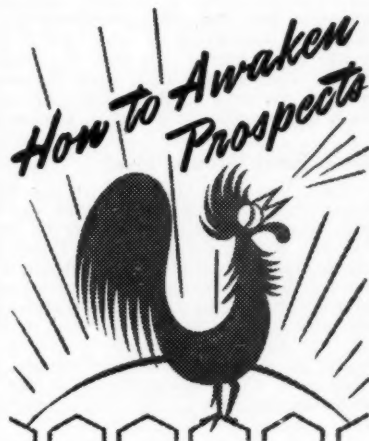
the California motor vehicle agreement is indicated in the affirmative votes so far cast by signatory companies. While companies domiciled in the east have not yet had ample opportunity to study the proposed amendment and get their vote back, local companies and some groups where the Pacific Coast representative has voting power, have already cast votes totaling approximately 10% of the more than 400 signatory compa-

E. B. Sims, state auditor and insurance commissioner of West Virginia,

was reelected for a fourth term at the November election, thus entering his 16th year in this office. He is the chief fiscal officer of the state and has under his direction a number of other bureaus besides insurance.

### Hadley Independent Adjuster

W. A. Hadley, for 16 years an adjuster for Western Adjustment, has opened an office in Louisville as an independent adjuster. He was with Western Adjustment in Indianapolis, Dayton, Columbus and Muncie, Ind.



### to the wisdom of buying additional protection now

A sure-fire way to do this is to show them just how low rates are right now.

And the easiest, quickest way to get this message across is to send them a letter or postcard that brings this point home in terms they can't mistake. Your letter or postcard could say this—

Because hazards are being systematically reduced, and because only 2 3/4% of each premium dollar goes to stock fire insurance companies for profit, property insurance rates are 40% lower today than in 1914. You can now get \$5000 to \$6000 protection for about what it costs to buy your daily newspaper. With rates as low as this, there's no excuse for anyone being under-insured, is there? Now's the time to buy whatever additional protection you need!

The cost of sending such a message to your entire list of prospects would be so small you'd scarcely notice it. Why not send it—and start things stirring! Next month, another practical advertising idea—watch for it!

FIRE ASSOCIATION GROUP, 401 Walnut Street, Philadelphia 6, Pa. Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto.

### EVERY MONTH

Fire Association Group's national advertising stresses the importance of regular interviews. This is the December ad—seen in U. S. NEWS and NATION'S BUSINESS.

## INSURANCE CALENDAR



On December 31, 1942, a huge fabricating building in a Providence, Rhode Island, shipyard went up in flames. Production losses were said to be slight but property loss was heavy—estimated at more than \$1,000,000. Luckily for

our fighting men, such warplant disasters have been few and far between—thanks to the combined efforts of plant managements, Underwriters' Laboratories, Inc., and the stock fire insurance companies associated with these Laboratories!

1944—DECEMBER hath 31 days

"Still miles to go... to Tokio!"

### ASTRONOMICAL CALCULATIONS

EASTERN STANDARD TIME

DEC.	Latitude +38°	Latitude +35°
1	6:38	5:00
6	6:42	5:00
11	6:46	5:01
16	6:49	5:02
21	6:52	5:05
26	6:54	5:07
31	6:56	5:10

DEC.	Latitude +40°	Latitude +45°
1	7:02	4:36
6	7:07	4:35
11	7:12	4:35
16	7:16	4:36
21	7:18	4:38
26	7:21	4:41
31	7:22	4:44

DEC.	Latitude +38°	Latitude +45°
1	6:44	8:05
3	8:37	9:57
5	10:29	11:24
7	12:33	12:44
9	1:08	1:35
11	2:53	2:38
13	4:44	3:49
15	6:41	5:20
17	8:35	7:12
19	10:16	9:18
21	11:41	11:26
23	12:57	12:30
25	2:13	2:37
27	3:41	4:46
29	5:25	6:49
31	7:19	8:53

DEC.	Latitude +38°	Latitude +45°
1	6:44	8:05
3	8:37	9:57
5	10:29	11:24
7	12:33	12:44
9	1:08	1:35
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13	4:44	3:49
15	6:41	5:20
17	8:35	7:12
19	10:16	9:18
21	11:41	11:26
23	12:57	12:30
25	2:13	2:37
27	3:41	4:46
29	5:25	6:49
31	7:19	8:53

To obtain local times of sunrise and sunset: For longitudes other than the standard time meridians (i.e., 75°, 90°, 105°, and 120°, for Eastern, Central, Mountain, and Pacific Standard Time), decrease the time four minutes for each degree east of the standard meridian, or increase the time four minutes for each degree west of the standard meridian.

- 1—Fr.—1866, typewriter patent issued to John Pratt.
- 2—Sa.—1918, 1st large A. E. F. unit arrived N. Y.
- 3—Su.—1755, Gilbert Stuart, noted portraitist, born.
- 4—M.—1942, WPA's liquidation ordered.
- 5—Tu.—1916, Lloyd George made British Prime Minister.
- 6—W.—1907, 361 died in Monogah, W. Va., mine fire.
- 7—Th.—Last Quarter, 9:57 A. M., E. S. T.
- 8—Fr.—Why risk being under-insured when property insurance rates are as low as they are today?
- 9—Sa.—1917, British took Jerusalem.
- 10—Su.—1817, Mississippi admitted to the Union.
- 11—M.—1941, Germany-Italy declared war on U. S.
- 12—Tu.—1861, \$10,000,000 losses in fire that wiped out large part of Charleston, S. C.
- 13—W.—1664, New Haven colony's last General Court.
- 14—Th.—1911, Amundsen reached South Pole.
- 15—Fr.—New Moon, 9:34 A. M., E. S. T.
- 16—Sa.—1689, Eng. Parliament passed Bill of Rights.
- 17—Su.—1927, S-4 sank off Provincetown, Mass.
- 18—M.—1737, death of Stradivarius, violin maker.
- 19—Tu.—Out of every premium dollar paid to stock fire ins. companies, only 2 3/4% goes to profits!
- 20—W.—1880, Broadway saw its 1st electric lights.
- 21—Th.—1790, R. I.'s first cotton mill started.
- 22—Fr.—First Quarter, 10:54 A. M., E. S. T.
- 23—Sa.—1657, Hannah Dustin, colonial heroine, born.
- 24—Su.—1914, 1st German air-raid on England.
- 25—M.—Christmas Day.
- 26—Tu.—1776, Battle of Trenton.
- 27—W.—1941, Japs bombed undefended Manila.
- 28—Th.—1917, U. S. Government took over railroads.
- 29—Fr.—Full Moon, 9:38 A. M., E. S. T.
- 30—Sa.—Protect yourself against losses in 1945—have your property insurance reviewed at once!
- 31—Su.—1769, Dartmouth College chartered.

OBSERVATION for December: With property insurance rates 40% lower than in 1914, there never was a better time to fill in gaps in coverage caused by the steadily rising replacement prices of the last three years than right now.

MORAL for December: Call your Agent or Broker today!

PROPERTY INSURANCE  
Fire—Automobile—Marine

## FIRE ASSOCIATION GROUP

Fire Association of Philadelphia  
The Reliance Insurance Company

PHILADELPHIA

Lumbermen's Insurance Company  
Philadelphia National Insurance Company

PENNSYLVANIA

SYMBOL OF SECURITY SINCE 1817

## Plant Closed Because of Fire Hazard, Then Reopens

Eversharp, Inc., 1800 Roscoe street, Chicago, closed by police last Saturday on charges by the Chicago fire prevention bureau that the pen and pencil manufacturing firm was violating fire regulations, reopened late Monday. John L. Fenn, chief of the fire prevention bureau, ordered the reopening after an inspection trip. He said that 20 tons of pyralin, a highly flammable and toxic material which the company uses as raw stock in manufacturing was removed from the building, part to an approved warehouse and part to the roof.

The fire prevention bureau alleged that the processing of the material was not properly partitioned off and vented to the outside for workers' safety. Plans for these and other changes had been made. Martin L. Straus, president of the company, said the firm had spent

\$500,000 the past year improving working and safety conditions and that the plant has a low fire insurance rate. The plant is sprinklered, has watchman service, A.D.T. equipment, is well kept, etc. Publicity on the closing aroused interest among underwriters of companies on the line.

### Aetna Cas. Asks Review

WASHINGTON — Aetna Casualty has asked the Supreme Court to review its appeal against Kishwaukee Special Drainage District from the seventh circuit court. Aetna Surety is on the bond of William Decker, district treasurer, paid judgment of \$18,758 under a court decision, but later sought reimbursement by way of subrogation. Involved was alleged illegal diversion of funds by the treasurer.

The circuit court reversed a decision of the lower court decreeing judgment to the company of \$22,913.

## S.E.U.A. Mutual Separation Rule Is Repealed

The Southeastern Underwriters Association has repealed its so-called mutual rule which provided that no S.E.U.A. company may enter or remain in an agency representing any mutual company or any company paying dividends to policyholders writing fire and allied lines or automobile fire and theft only unless such company is domiciled and has its principal office in S.E.U.A. territory; nor shall any member remain in an agency which shall hereafter take on the representation of such company unless such mutual company along with member companies of the S.E.U.A. shall be acquired through purchase of an agency and then only if such mutual company is domiciled and has its principal office in S.E.U.A. territory.

### Ohio Field Groups Meet

The Ohio Fire Underwriters Association, at its meeting in Columbus Tuesday, received from a committee headed by H. P. Winter, America Fore, a comprehensive report on the interpretations and provisions of the new dwelling house form. There was an extended discussion in which Allen C. Guy, manager of Western Adjustment, and Joseph M. Harter, insurance attorney, took part. A memorial for T. B. Sellers, late manager of the Ohio Inspection Bureau, was read.

Carl R. Nelson, North America, Cincinnati, resigned from the association. T. G. Linnell, Minneapolis, most loyal grand gander of the Blue Goose, was a guest.

Philip C. Adney, second vice-president of the Loyalty group, spoke at the monthly meeting of the Ohio Association of Fire Underwriters in Columbus Tuesday. There was a discussion of the new dwelling house form. The organization also discussed its part in the fire prevention movement in Ohio. The next meeting will be held in Cleveland the first week in February.

### Chicago Adjusters Big Party

More than 500, including industrial surgeons, members of the industrial commission, judges, lawyers and a good sprinkling of insurance company branch managers, turned out for the annual dinner and party of the Casualty Adjusters Association of Chicago Tuesday. The banquet room was completely filled and extra tables had to be set up.

Prior to the dinner John P. Keevers, Chicago manager of Maryland Casualty, gave a cocktail party in honor of G. A. Olson, Maryland Casualty claim manager, who was just recently advanced to president of the Casualty Adjusters Association. Casualty Mutual of Chicago also gave a cocktail party in honor of the industrial commission. An elaborate entertainment was presented.

The Insurance Women of Birmingham at the annual bosses' night party presented a program under the direction of

## Martin Spearheads La. Federal Legislation Drive

Questions raised by the decision of the Supreme Court in the S. E. U. A. case were discussed by Secretary of State Wade O. Martin, Jr., of Louisiana, at a meeting in Baton Rouge. The meeting called by Mr. Martin was attended by representatives of most of the insurance companies. As a result of the decision, Mr. Martin declared that state revenues of approximately \$1,250,000 are endangered.

Mr. Martin, who as ex-officio insurance commissioner attended the recent meeting of commissioners in Chicago, explained the legislative program approved by the commissioners and outlined the principal features. Charging that the decision had completely changed the concept of regulatory powers which prior to the ruling had prevailed in the courts, Congress and the nation, Mr. Martin predicted that without immediate corrective action a multitude of law suits both civil and criminal may develop. The group selected Mr. Martin to head the program in seeking proper legislative action on the part of Congress.

### War Show Damage Covered

OKLAHOMA CITY — The Oklahoma state insurance board, irrespective of the war risk exclusion, held that the extended coverage endorsement covers damage resulting from a war show explosion. Mrs. Merle Blakely, 815 College, Tulsa, made the inquiry of the board after her home was damaged by explosions during the war show in June at Skelly stadium a block away. She claimed that plaster was cracked and other damage resulted from the explosions, and that to date no action had been taken by the insurance company although the loss had been reported. If the policy in question has the extended coverage endorsement and if it can be established conclusively that the damage resulted from the explosions during the war show, the contract covers the loss, according to J. B. Hunt, manager of the rate department of the board.

### Report on Philadelphia Meeting

President Dorth Coombs of the Wichita Association of Insurance Agents reported to the association this week on the Philadelphia meeting with company executives and agents which he and Victor G. Henry attended.

He also gave a similar report to the Sunflower Blue Goose puddle. The puddle presented briar pipes to Noble Birmingham, who is joining the London Assurance in Oklahoma, and Frank Jettinghoff, North America, who has been transferred to Cleveland at state agent. Christmas gift packages are being sent to puddle members now in service by a committee headed by L. T. Stubbs and C. W. Price.

Mrs. Verdery Greenwood, Miss Vena Dearing, president, introduced out-of-town guests.



The Royal Exchange Fireman of 1720 typifies one of the greatest and strongest insurance institutions in the world today.

The Royal Exchange Fireman, as early as 1720 "saw service" as a commando! His job was to seek out and conquer the greatest enemy of those times, "fires that could become conflagrations!" Today, as a symbol of Sound Insurance Protection on the nation's home front, he gives to "those who fight" a definite assurance that the Security of the things they hold dear at home is being properly guarded.

The Royal Exchange Companies have consistently maintained their record for prompt and gratifying service to Agents and Assureds.

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LOS ANGELES  
PORTLAND  
SEATTLE  
VANCOUVER  
MONTREAL  
BOSTON  
ST. LOUIS  
WASHINGTON  
LONDON



## Markets Eye Motor Truck Cargo Risks as Losses Increase

### Getting Stuck with Accumulation of Claims When Trucker Goes Broke

Companies writing truck cargo insurance are uneasy over losses that are occurring under the legal liability endorsement of the interstate commerce commission and the various states in which insured may operate, when the trucker goes into bankruptcy or receivership. Substantial amounts have been lost by insurers in recent months under circumstances of this kind. Among losses mentioned are ones for \$8,000, \$10,000, \$16,000 and \$30,000. There is now going on a general review of the class among insurers writing it, some business is being canceled and truckers are being asked to put their house in order.

#### Claims Allowed to Accumulate

After bankruptcy or receivership it is being discovered that many truckers have allowed to accumulate a number of what are termed overage, shortage and damage claims either not covered by the motor truck cargo policy or eliminated from it by a deductible, in which case they ordinarily would not be turned in to the insurance company. Once the trucker goes into bankruptcy and is unable to meet them, they become claims against the insurer. Or the trucker may simply go out of business, the records disappear and the claims are there for the insurer to meet.

The I. C. C. and state endorsements usually are in amounts of \$1,000, and where the trucker buys a basic policy of any substantial amount the endorsements are added without charge. Claims under the endorsements are paid by the trucker or the insurer has right of action against the trucker to recover under the indemnity agreement in the policy. But if the trucker becomes insolvent, the insurer is stuck with claims that cannot be met out of assets, if any.

#### \$1,000 Per Casualty

Although the \$1,000 I. C. C. and state limit looks small, it amounts to that limit per casualty, so that an accumulation of overage, shortage and damage claims can run into substantial amounts and has done so.

Even when the insurer becomes uneasy about the risk and cancels, subsequent bankruptcy within two years could make the company liable for losses occurring during the time it was on the risk. One company canceled coverage on a trucking company that subsequently went into bankruptcy, and was receiving claims, which it had to pay, for two years from the date on which it canceled the policy. The claimant must bring suit within two years and a day from date of loss, under I. C. C. regulations governing bills of lading.

The number of losses is large today because of the type of employees, lack of help and increased movement of merchandise. While there hasn't been any noticeable increase in bankruptcies, truckers are operating on fairly thin margins, some are going broke and more may do so with the end of the European war, and help shortages have led to carelessness in keeping up to date on important details such as claims of shippers the truckers should pay.

It is possible to detect a deteriorated situation by watching the trucking company's receipts, and by checking on the type of management and whether it is

continuing to make reports promptly and efficiently under the gross receipts forms. Under the policy the insurer has the right to audit the trucker's books, and this is being done, though it is expensive and consumes a lot of time. Unless a public audit is made the O., S. & D. claims would not come to light. Actually O., S. & D. claims are most likely to accumulate as the trucker begins the downgrade into bankruptcy.

Where shippers purchase transit policies they sometimes furnish the insurer with copies of claims made against the trucker and notify the insurer when these claims are paid. This is a check on whether the trucker is keeping up

with the claims which he is supposed to pay.

The suggestion has been made that insured be required to put up a substantial cash deposit to protect the insurer in case insured goes bankrupt, but the companies have no satisfactory method of carrying the deposit. Requiring the insured to post a surety bond would be cumbersome. Rate increases also have been suggested. Perhaps the only real solution is to underwrite the business closely and watch it carefully.

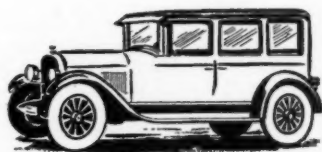
Miss Nell Beach Dix, local agent of Decatur, Ala., president of the Decatur

Insurance Exchange and active in the Alabama Association of Insurance Agents, was married there to Floyd D. Wade, army air force.

#### Southeastern Elects New Officers

Southeastern Fire of Charlotte, N. C., has elected H. A. Moore president and treasurer. He has been vice-president and succeeds J. E. Burnside. Latimer Williams, Jr., assistant secretary, was named a vice-president and assistant treasurer. Other new officers are P. W. Bassinger, vice-president; J. H. Lander, assistant treasurer, and T. M. Blankenship, assistant secretary.

## Mr. Jones Doesn't Want a 1928 Model



ENGINEERS have developed scores of improvements in the mechanics and design of motor cars since 1928. So Mr. Jones doesn't want a 1928

model. He wants a car that incorporates all the new features. Show him such a car and his sales resistance goes down!

Insurance, too, can be designed to meet people's needs and desires. The greatest progress in insurance will come as forms are drawn and perhaps "packaged" to cover wider ranges of risks . . . and when new contracts are issued promptly to meet new needs. The companies and agents who analyze and anticipate the insurance needs of the public, courageously striking out—unfettered and unafraid—to fill those requirements will gain rich rewards in years to come.



The GENERAL was founded 21 years ago to fill a vacant place in the insurance picture. Logically, this organization has been and will continue to be alert to changing needs. It is this modern approach which can be counted an important advantage enjoyed by GENERAL Agents.

GENERAL  
INSURANCE CO.  
OF AMERICA  
Home Office



GENERAL INSURANCE COMPANY OF AMERICA  
GENERAL CASUALTY COMPANY OF AMERICA  
FIRST NATIONAL INSURANCE CO. OF AMERICA

H. K. DENT, President . . . Home Office: SEATTLE

EASTERN DEPT. NEW YORK, N. Y. WESTERN DEPT. ST. LOUIS, MO. SOUTHEASTERN DEPT. ATLANTA, GEORGIA. SOUTHWESTERN DEPT. DALLAS, TEXAS. MOUNTAIN STATES DEPT. DENVER, COLO. NORTHERN CALIFORNIA DEPT. SAN FRANCISCO, CALIF. SOUTHERN CALIFORNIA DEPT. LOS ANGELES, CALIF.



CANADIAN DEPARTMENT  
STAMPAID BARR BUILDING  
VANCOUVER, B. C.



## CHICAGO

### BOARD PRESTIGE SHOWN

A survey has been conducted by an independent organization for the Chicago Board, among buyers and board members.

Among the insurance buyers, 70% stated they had noted facts in board advertising and knew of the service of the board and its members. Of this number, 92% expressed a belief that board members better served buyers.

Even among those who had not noted facts relative to the board, 6% replied they believed board members better served buyers. A surprising number of buyers made suggestions relative to improvement of insurance service and many wanted further information.

Among members, 97% of the replies stated that the board well served its members. More than 25% of the returns carried suggestions for better service to members. It was surprising to note the lack of any derogatory comments. Among the suggestions made, many were intelligent and plausible and an effort will be made to put some of them

in effect. Both surveys were conducted at random and the board had no control over them. The results were gratifying.

### LANGE & CO. NEW AGENCY TITLE

The Ririe & Lange agency of Chicago is being retitled as Lange & Co. by Paul Lange, Jr., who now is the sole proprietor. This agency is nine years old. It is metropolitan supervising agent of a number of fine stock fire and marine companies, general agent of several stock casualty companies and sole agent in Chicago for another stock fire company. The agency was built around the marine business of Mr. Lange and H. H. Ririe. The latter withdrew some months ago and organized his own agency.

### ADJUSTERS TO MEET

Underwriters Adjusting is holding its supervisors' meeting at the head office in Chicago Dec. 5 with H. H. Moore, general manager, in charge. T. A. Pettigrew, president, came in from Florida for the meeting and is returning next week. Supervisors who will attend are M. C. Scanlon, Omaha; F. N. Jacks, Kansas City; F. S. King, Minneapolis; J. L. Whitman, Milwaukee; J. N. Cline, Indianapolis; R. M. Peterson, Detroit; A. P. King, Cleveland, and Kipp White, Illinois supervisor and assistant manager at the head office.

## FIELD

### American Names Cline in Eastern New York

American of Newark has appointed George W. Cline special agent for the fire companies in eastern New York state while Special Agent Richard Webster is in service.

Mr. Cline has had many years of experience in the local agency business in eastern New York. Recently he has covered the western New York field for North America. His headquarters are at 90 State street, Albany.

### Polsz with Employers Fire

Walter H. Polsz has been appointed a special agent of Employers Fire for Indiana, working with Thos. W. Fletcher, state agent. Mr. Polsz since 1937 had been Indiana state agent of Sun. He entered insurance in the western department office of North America as a filing clerk, going with the Chicago office of Sun in 1932. He has been active in association work and served as president of the Indiana Fire Prevention Association. He is now guardian of the Indiana Blue Goose.

### Intermountain Meeting Dec. 28

The Intermountain Fire Underwriters Association will hold its annual meeting in Salt Lake City Dec. 28.

### Army Chaplain Iowa Speaker

Lt. Col. DeLoss Marken, head chaplain of the 34th division in the army, formerly a Des Moines pastor, spoke before the Iowa Blue Goose. He is home on a leave after 33 months overseas, which included duty in Africa and Italy in some of the army's hardest battles.

### Ballistics Talk at K. C.

At the December meeting of the Heart of America Blue Goose, attended by 46, William J. Meyers, ballistics expert of the Kansas City police department talked on that subject.

The new red, white and blue identification badges in the shape of a heart, with each gander's name printed in bold letters and a picture of a goose on the badge, were introduced.

### Indiana Xmas Party Dec. 16

The Indiana Blue Goose will hold its Christmas dinner dance Dec. 16 in Indianapolis.

Roy L. Nicholson, state agent of

Michigan F. & M., spoke Dec. 4 at the fire prevention and fighting school conducted by the safety division of the Milwaukee Association of Commerce, on "Stop the Home Fires Burning."

Long distance 'phone calls home will be awarded two service men at a tea to be sponsored by the Seattle Ladies of the Blue Goose Dec. 17 at the Service Men's Club.

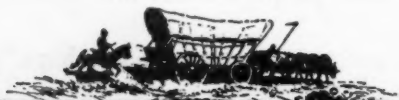
Michael D. Lynch, 75, Lansing, Mich., local agent for 38 years, died there after a lingering illness.

Theodore S. Thoreon, 73, local agent at Soldier, Ia., died at the home of his daughter in Cedar Falls.



Blueprinting the basic structure for the insurance of your clients will help to build their protection on a sound foundation. A complete survey of needs, followed by intelligent counsel, is the most constructive approach to proper insurance protection. Get your clients to consult you in the capacity of their insurance architect.

You can depend on Springfield Group Service to aid you to the utmost!



## THE SPRINGFIELD GROUP

W. B. CRUTTENDEN, President

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SPRINGFIELD, MASS.  
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SPRINGFIELD, MASS.

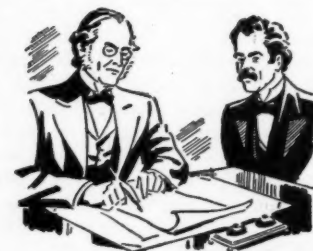
## OF FIRE INSURANCE COMPANIES



## PARCEL POST INSURANCE—All Risks

The CHARTER OAK FIRE INSURANCE COMPANY  
Hartford, Connecticut.

ONE OF THE TRAVELERS COMPANIES



ALASKA was purchased in 1867 from Russia by Secretary William H. Seward for \$7,200,000.

Two years before this important event in our history, Millers National Insurance Company was founded. This time-tested institution has nation-wide agency representation to take care of your property insurance requirements.

## MILLERS NATIONAL

Insurance Company

## ILLINOIS FIRE

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HOME OFFICE, CHICAGO

Reprint from a series of advertisements appearing regularly in Banking, Credit and Financial Management and the United States Investor.



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## CASUALTY CLAIMS MANAGER

Here is a man 34 years of age with 6 years experience as claims supervisor and special investigation work. He knows automobile, compensation and some inland marine. This man has the personality, experience and ability to do an exceptionally good job.

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## COMPANIES

### Paul Barr Hanover Secretary in Western Office

Paul H. Barr has been appointed resident secretary of Hanover Fire and Fulton in the Chicago western department as of Jan. 1. He takes the place left vacant by the resignation of Fred C. Bertiaux.

Mr. Barr has been in the field for Hanover 19 years. He started in Iowa, was transferred in 1930 to Nebraska as state agent and for the past six years has been state agent in Missouri with headquarters at Kansas City. He is past president of the Missouri State Fire Prevention Association and was a member of the executive committee of the Missouri Fire Underwriters Association.

Mr. Barr graduated from the University of Iowa. His father, G. W. Barr, is a local agent at Strawberry Point, Ia., and that is Paul Barr's native town.



Paul H. Barr

### C. & R. Merger Approved

Stockholders of American Equitable and Knickerbocker have approved the recommendation of directors that those companies be consolidated under the title of American Equitable and all that now remains is formal approval by the New York department and the directors. The capital of the company is \$1,500,000, assets exceed \$17 million and policyholders surplus \$6 million.

### IN U. S. WAR SERVICE

S. Sgt. Don Coates of the marines has received an honorable discharge and is again co-publisher and advertising manager of the "Southwestern Insurance Graphic," Dallas. Lorry A. Jacobs will continue as business manager and life, accident and health editor and Mr. Coates will act as fire, casualty and marine editor.

Lt. L. E. Gilbert, USNR, was presented a citation by Rear Adm. Mills in a ceremony during the Navy Pacific war theater show at Navy Pier, Chicago. Lt. Gilbert, before entering the service for 2½ years was connected with American International Underwriters at Havana and his father is A. E. Gilbert of Havana, director of International Underwriters for Latin America, Inc., and a former vice-president of Hanover Fire. Lt. Gilbert was flown by the navy from St. Albans Naval Hospital, St. Albans, New York, to Chicago and A. E. Gilbert flew from Havana to witness the presentation. Lt. Gilbert as soon as he is released from the hospital will go to Havana for a visit with his family. He has a two-year old daughter that he has seen but once and a four month old son that he has not yet seen.

Lt. Gilbert was cited for extraordinary heroism in action as commanding officer of an L.S.T. during the amphibian invasion of southern France, Aug. 15.

As his ship was approaching the beach an enemy plane was sighted and brought under fire just as it released a glider bomb. The bomb hit the ship, setting fire to the cargo of motor trucks loaded with ammunition and finally causing the ship's total destruction. Lt. Gilbert was thrown to the bridge deck, and injured. When he regained consciousness although suffering from a broken arm, he carried an injured man below, adjusted his life preserver and assisted

him over the side. He then assisted an officer with a broken leg into the water and "exerting fearless energy and extreme self-sacrificing effort, Lt. Gilbert remained in the water amid fire and exploding ammunition for two hours seeking aid for the wounded officer until finally both were recovered by rescue craft in an unconscious condition."

Donald Meiss, son of Walter Meiss, assistant U. S. manager of London Assurance and vice-president of Manhattan F. & M., has joined the marines. The Meiss family has a marine tradition. Walter Meiss served with the marines during the last war, as did two

uncles of Donald Meiss. In this war Donald has a brother, an uncle and three cousins in the marine corps. His brother, Tom Meiss, is at Cornell University with a V-12 unit. Donald attended Valley Forge Military Academy.

Lt. W. G. Hohenadel, who before entering the service was connected with the loss department in the Chicago office of North British & Mercantile, has received a citation for heroic achievement in action and has been awarded the bronze star medal. The citation commends Lt. Hohenadel for his personal bravery, coolness and prompt decision under very difficult situations at Itri,

Italy, May 19, and at San Cesario, Italy, June 2.

Lt. Hohenadel's father is Frank A. Hohenadel, office broker with Aetna Casualty in Chicago.

Capt. Parke L. Brown, son of George F. Brown, Chicago agent, and formerly engineer for the Chicago office of R. B. Jones & Sons, was wounded in action in France. He is with the 7th army. He received mortar fragments in his left arm, but the wound was not serious. A brother, Lt. Col. Cameron Brown, formerly manager of the Jones agency in Chicago, is stationed at Paris.

### EVERY DAY—MAKE FIRE PREVENTION YOUR PERSONAL WAR WORK



Int. News Photo

### Are your Hotels 'Fireproof'?

Soldiers, business executives, engineers, salesmen—from many parts of the country come reports of seriously crowded conditions in hotels.

A hotel is important to a community not only as a home for transient visitors but as a public meeting place.

It may be a historical landmark. It certainly contributes to the local tax income. It provides jobs for local residents. It buys from local stores.

Probably, it cannot be rebuilt today because of the shortage of critical metals and skilled labor. Hence . . . it deserves every safeguard you can give it.

Are you stressing fire prevention every day? Are you working with the fire department—and other insurance agents—to make inspections? And following up with fire prevention recommendations? If not, why not start this week on hotels and similar public buildings?

**Agricultural**  
Insurance Company,  
of Watrous, N.Y.



**Empire State**  
Insurance Company,  
of Watrous, N.Y.

**DID YOU BUY AN EXTRA WAR BOND IN SEPTEMBER? BETTER DO IT NOW!**



## E. M. Griggs Tells Examiners of Possible Effects of Federal Regulation

More than 75 attended the annual managers' night dinner of the Association of Fire Insurance Examiners of Chicago at which E. M. Griggs, associate general counsel of the National Board, Chicago, discussed the possible effects of federal regulation on the insurance business. Theodore Reis of R. H. Erickson & Co., president, was in charge.

There is no federal regulation of insurance, yet the business is subject to the anti-trust laws, Mr. Griggs pointed out. He said there used to be good trusts and bad trusts, but that now any price control violates the anti-trust act. He suggested that the federal trade commission, to which insurance is now subject, might find insurance requirements unfair, or might hold that the

prohibition against cancellation of the riot and civil commotion policy for 60 to 90 days is an unfair practice.

Mr. Griggs reviewed the history which led up to the Supreme Court decision and compared the Bailey-Walter bill with that proposed by the insurance commissioners. The latter leaves out of the list of exemptions from the anti-trust acts agents' association agreements, he said. It refers to forms as being exempt, but does not mention riders, endorsements, permits, etc. Thus it might be satisfactory for companies to agree on forms but not for them to do so on endorsements. There are other company activities not included in the exemptions of the commissioners' bill, he said. Some states with anti-compact laws say they can do more with those laws than they can with rate laws. Mr. Griggs pointed out that many problems in the past have been settled in the states by conference. Few issues actually have reached the courts.

## Honor Julian and Linnell in Ohio

COLUMBUS—A dinner honoring Roy E. Julian of Columbus, who recently was named manager of the Ohio Inspection Bureau, and Thomas G. Linnell of Minneapolis, most loyal grand gander of the Blue Goose, was held here Monday under auspices of the Ohio pond. Eugene J. Gallagher of the Ohio Inspection Bureau, most loyal gander of the Ohio pond, was toastmaster, and 200 attended, including company and organization representatives and agents. Dwight D. Montgomery and W. H. Witherspoon were in charge of arrangements.

C. D. McVay, president of Ohio Farmers, speaking for the companies, said that Mr. Julian comes to his new duties in most trying times, but that the entire insurance fraternity has faith in him because of his ability, integrity and courage.

Albert Caris, assistant superintendent, brought greetings from the Ohio Insurance department, and Harry T. Minister, president of the Ohio Association of Insurance Agents, pledged the cooperation of that organization. Bernard Flood of Charleston, W. Va., former Ohio insurance field man, also spoke. Mr. Julian was presented a bouquet of flowers by the Cleveland Board. Mr. Julian expressed appreciation for the felicitations.

Mr. Linnell paid tribute to Mr. Julian and praised Ohio as an insurance state and the Ohio pond as a leader in the Blue Goose. He said that the Blue Goose has three objectives: Assist the war effort, display the golden rule in business activities now and in the future, and assist returning soldiers to become re-established.

Fifty-eight members of the Ohio pond are in service and the audience stood as Allen C. Guy, welder, offered a prayer for their safety. Walter R. Moore died recently. He was called back into the service when the war began. He formerly represented Great American Indemnity and Fireman's Fund Indemnity.

The Ohio pond is 35 years old, and three of the charter members were introduced, W. A. Sawyer, Fireman's Fund; G. G. Gross, Firemen's, and B. T. Duffey, Royal. J. Ray Hull, former most loyal gander of the Indiana Blue Goose and now deputy most loyal grand gander, was a guest. R. W. Nelson, W. E. Friedman and Cade Schulenberg represented the field clubs; J. A. Yonker the Ohio Inspection Bureau; E. V. King the West Virginia Inspection Bureau, and C. C. Atwell the Ohio Audit Bureau.

## Knowles and Hansen to New M. & M. Positions on Coast

Edwin C. F. Knowles has been elected vice-president of Marsh & McLennan in charge of the firm's entire business on the Pacific Coast. Mr. Knowles will retain his headquarters at San Francisco.

Henry M. Hansen has been appointed executive vice-president of Marsh & McLennan of California and placed in direct charge of its offices at San Francisco and Los Angeles. Mr. Hansen has been manager of the casualty department and chief assistant to Mr. Knowles. He is president of the Society of Insurance Brokers of San Francisco.

Mr. Knowles is now relieved of direct charge of the San Francisco and Los Angeles offices and is thus in a position to give more attention to the other affairs of Marsh & McLennan on the coast.

## Foreign Officials Visit Here

Inasmuch as there has been an easement in ocean travel so far as safety is concerned, foreign managers and executives are visiting this country. There have been very few visits from the other side since the war began. The companies have left the field almost exclusively to their United States and Canadian managers. Now they feel that it is desirable to be in contact with their American officials, make a survey of the

situation and some changes here and there and go over postwar programs.

## Supreme Court Defers Pertinent Tax Decision

The U. S. Supreme Court this week passed up a chance to lay down rules that would have been helpful to insurance companies in meeting the problem of the constitutionality of state premium taxes. In its opinion in the suit of Spector Motor Service, Inc., against Connecticut, the Supreme Court was asked to determine whether a franchise tax levied by Connecticut on wholly interstate business was valid.

The court held that Connecticut's highest court had not construed the statute and that until that had been done the Supreme Court would not act. The case was remanded to the federal district court to await determination in the state courts. The federal district court had upheld the motor carrier but was reversed on appeal to the circuit court of appeals. The latter's reason was that it believed in the light of the Supreme Court's decisions in recent years the high court would uphold the tax.

## John Pearson Meets Commissioners

John D. Pearson of Indianapolis, special agent for Glens Falls Insurance Company, who is slated to be named as the new insurance commissioner of Indiana when the new Republican governor takes office early in January, attended the insurance commissioners' meeting in New York this week and was introduced to many of the state officials and camp followers. It is understood that there is no doubt that he will be appointed to the position. The official announcement, however, will not be made until early in January when the governor announces his entire cabinet. Mr. Pearson is about 40 years of age. He is a popular field man. He is a close friend of the governor-elect and handled many of the financial arrangements in connection with the campaign. Mr. Pearson went to the home office of Glens Falls and stopped in New York on his way home.

Read the "Accident & Health Review." Sample copy 10c. A1946 Insurance Exchange, Chicago.

**Approved For Plant Protection**

**JUSTRITE**

**OILY WASTE CANS**

The safety container for oily waste, rags and other flammable material.

**SAFETY CANS**

For storing and handling explosive or flammable liquids with safety.

Approved by Underwriters' Lab., Inc., and Associated Factory Mutual Fire Ins. Co.

**JUSTRITE MANUFACTURING COMPANY**  
2067 N. Southport Ave., Chicago, Ill.

**BUILDING COSTS**

HAVE INCREASED APPROXIMATELY

<b>5%</b>	<b>17%</b>	<b>33%</b>
<b>IN 1 YEAR</b>	<b>IN 3 YEARS</b>	<b>IN 5 YEARS</b>

**CHECK INSURANCE AGAINST VALUES**

**MARSHALL AND STEVENS**

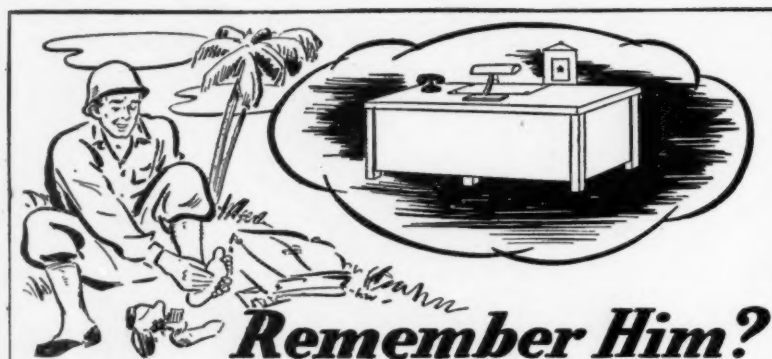
**INSURANCE APPRAISALS**

CHICAGO   LOS ANGELES   NEW YORK  
ST. LOUIS   SAN FRANCISCO

PUBLISHERS OF

**MARSHALL   STEVENS**

**VALUATION SERVICE   VALUATION QUARTERLY**



## Remember Him?

He was the chap who had a lot to do with your business—often answered your queries—perhaps tried to straighten out little mix-ups—did it all in a friendly sort of way.

... Now he's serving Uncle Sam—you miss him—so do we ...

With him away we're handicapped—we can't give you quite the same service—you've noticed that ...

... But the interest, the friendliness, the consideration he manifested has not changed—you've noticed that, too. For those characteristics are distinctively—and instinctively "St. Paul" ...

... And we intend holding to them 'til our boys come back and again add their initiative and service to your business—and ours.

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INDEMNITY COMPANY  
ST. PAUL, MINN.

**Saint Paul**  
FIRE AND MARINE  
INSURANCE COMPANY  
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## Hirman Pleads for Turkey Cover

A. A. Hirman of Rochester, in addressing an audience of local agents and field men in his city gave an extensive discussion of the problem of turkey insurance and suggested that a turkey insurance conference be set up to embrace all companies writing fire, wind and marine insurance in the state. Under his plan each company would be allotted a portion of the liability on turkey flocks in excess of 500 in ratio of their fire writings in the state.

If London Lloyds should discontinue writing turkey insurance, Mr. Hirman declared, pressure would be brought for a state insurance program. Every effort should be made to avoid such a situation. Turkey raising in Minnesota is a \$30 million business and it is up to the local agents in the state to fight to keep that industry going.

Because of the heavy turkey losses suffered in the Armistice Day storm of Nov. 11, 1941, and the storm of Nov. 8, 1943, many underwriters concluded that turkey insurance is an unmanageable line. However, Mr. Hirman observed that the companies have not discontinued writing windstorm insurance in the east following the hurricanes of 1938 and this fall. He asked why two freak storms in the middlewest should be considered in any different light from two freak storms in the east.

### Corrective Measures

Despite those who are convinced there is little that can be done to minimize the hazard of loss to turkeys, Mr. Hirman is convinced that there are corrective measures that can be taken. Many of the turkey raisers are now investing in shelters, some of which are of the wrong type. The advice of insurance engineers would be valued.

Mr. Hirman recalled that prior to 1942 turkeys were insured at a rate of 3 cents and the insurers were about breaking even. Following the Armistice Day storm the rate was doubled to 6 cents and yet that rate proved inadequate. Another increase is contemplated to possibly 10 cents or more. Mr. Hirman contended that rate increases can never keep ahead of losses. Engineering and loss prevention must be applied.

Mr. Hirman suggested that there be two rates, a lower one to cover the early season bird and a higher one for those that are exposed to the fall hurricanes. Possibly the rate might be as much as 8 cents for the bird marketed by Oct. 20, and 12 cents for insurance covering after that date. There might be a credit of 4 cents allowed for approved shelters. Probably no shelter would be fool-proof but it might reduce the losses by 75%.

To see that a shelter credit is not abused, Mr. Hirman suggested that a central inspection bureau be organized. Mr. Hirman said he is informed that some of the large feed companies intend to offer a policy protecting the interests of the finance company only through the marine departments of insurance companies. This, he contended, is not likely to cause good will and may cause trouble between agents and companies if such facilities are given to just a few agents.

### Birkemeier Hartford Office Manager in Western Unit

William H. Birkemeier has been named office manager in the western department of Hartford Fire to succeed Charles R. Boynton, who has retired because of ill health. Mr. Boynton has been with Hartford 35 years. In his earlier days he traveled in Colorado and in Kentucky. He had been office manager since 1920.

Mr. Birkemeier has been with Hartford since 1917. He started in the office, then went into the Illinois field. From 1931-38 he was at the home office of Kansas City F. & M. Then he returned to Hartford and has been underwriting superintendent.

## Dissolve One of the E. W. Brown Reciprocals

Independent Underwriters of Philadelphia, one of the Ernest W. Brown reciprocals, is being extinguished by voluntary dissolution. This reciprocal had specialized in the theater field and until 1939 was known as Theater Underwriters. Notice of cancellation of all liability as of Dec. 1, was sent to subscribers together with a check for the pro rata return premium. There

will be an additional refund which may exceed 100% of the premium deposits of the subscribers.

As of Dec. 31, 1943, assets were \$142,470, premium reserve \$32,074, surplus \$106,437, premiums written \$58,041, losses paid \$28,370, expenses \$31,867.

### Plans of Auto Dealers

J. E. Minton who, it is proposed, shall be president of Automobile Dealers Casualty of Kansas City, which is being promoted by a number of automobile

dealers throughout the Middle West, was for about 20 years connected with Universal Underwriters of Kansas City. He was also connected for a time with T. W. Garrett, Kansas City general agent.

It is understood that Ed Borserine, manager of the Yellow Cab Co., of Kansas City, is substantially interested in the project. Among the Kansas City automobile dealers who are interested are W. R. Allen, N. S. O'Neill, Robert Greenlease, Ray Brelsford, Roland Record and Damon Williams.



## When FEWER LOCAL AGENTS Wear Lipstick

**D**ON'T get us wrong; we're not referring to the hundreds of able peacetime women local agents, but to the thousands of local agency women who are doing such a superb job of carrying on while the men are in their country's service—many of whom will be delighted to give the responsibility back to the boss.

There's a great day coming with peace in the world. When you can hire all the help you need, ride in your own car when and where you please, have a grilled steak at the drop of a hat, and leave the office at five!

But have you thought of the result on your business of postwar conditions when competition will really be tough? Americans have stood for quite a kicking around, of recent years, when they tried to buy either products, or services. That day will soon be gone. Your competitors will think up all the newer angles to attract clients, try to sell more of them, and give better service. You'll have to do the same—if you want to hold your business.

Aside from more help in your office, you can meet that competition two ways: with up-to-date service and with smart advertising. While you may not

be able to step up your service under present conditions, you can start right now making more friends for your agency and making closer the ties with your clients through good advertising and public relations.

So in these times and for postwar you need a modern group of companies that knows both the rules and the score, that gives fast, well informed, multiple-line service through field offices covering the United States and Canada. A group that has a complete, fully-informative good-will-building advertising and sales promotion program for you. Help like this from the Security Insurance Companies will make a world of difference when postwar competition knocks at your clients' doors.

## Security Insurance Companies

SECURITY INSURANCE COMPANY OF NEW HAVEN  
THE EAST & WEST INSURANCE COMPANY OF NEW HAVEN  
NEW HAVEN UNDERWRITERS  
THE CONNECTICUT INDEMNITY COMPANY

1841—SECURITY, THE NATION'S WATCHWORD—1944

XUM

## EDITORIAL COMMENT

### Biddle's Motives Not Important

The authors of the campaign tract which Attorney General Biddle answers in a letter to John S. Tunmore, general agent in New York of Provident Mutual Life, will now probably acknowledge that it is a tactical mistake in political argument to make charges concerning the motives of the adversary. A man challenged as to motive is in a splendid position to arise in indignation and set the critic back on his heels. We haven't seen the tract on the insurance issue that Mr. Tunmore submitted for comment to Mr. Biddle, but apparently it gave the attorney general a neat opening by charging that his motive is to bring about federal regulation of insurance.

What Mr. Biddle had to say is no more than what he has repeatedly said in the past, but it did give him an opportunity to reduce the whole insurance issue to the matter of the Attorney General's motive.

To charge an adversary with possessing an ulterior motive, lacking as plain evidence as an admission from the latter's own lips, is to expose the critic's whole case to being discredited by an indignant denial of harboring the alleged motive. It is scarcely less effective, and deprives the adversary of a superficially devastating answer to contend that the course of action complained of could

very well set in motion a train of events that would eventuate in the conclusion that the critic fears.

Mr. Biddle says to Mr. Tunmore that his only motive is to put an end to alleged insurance practices that are alleged to be inimical to the public interest. That has been Mr. Biddle's position right along. But, in his letter to Mr. Tunmore, as in the past the Attorney General sidesteps the significance of the fact that in order to get a right of action against the insurance companies he had first to collapse the theory of government under which the insurance business had always heretofore been operated and to which it had developed its procedures and created its establishments. Mr. Biddle's motive may be solely what he states it to be and yet the consequences of what he has started may be revolutionary. We can't be convinced that Mr. Biddle was unaware of the hell raising potentialities of launching a prosecution that needed a Supreme Court holding that insurance is interstate commerce. It matters little what his motive may have been, his course of action is such as to make it possible at any time to centralize the regulation of insurance at Washington or to superimpose upon the state system of regulation some measure of federal authority.

### Appealing to the Government No Solution

The American business man objects strenuously to an extension of government into his own field, either in the form of regulation or competition, but he is either indifferent to governmental expansion in another business, or, if it will give him an advantage, asks for it.

The resolution of the Wisconsin Civil Air Corps demanding application of National Service Life Insurance to all pilots and anyone using civilian aircraft for transportation aptly illustrates this peculiarity. The aviation business is struggling valiantly to keep itself free enough from governmental regulation to develop and expand with flexibility after the war. Yet an aviation organization urges the government to extend what amounts to a subsidized function to all who use airplanes. The aviation hull and liability insurers have been criticized by the aviation industry, but there has been a disposition to argue out the matter on an inter-industry basis rather than coming to a quick decision to take the matter to the federal government in Washington.

The Wisconsin resolution is somewhat intemperate and fails to show a close grasp of the facts, indicating that those responsible for it have not taken up the matter with the life insurance people in a thorough way. It charges the life companies with failure to assume their responsibility to the insuring public and states that they used a subterfuge in inserting an aviation exclusion clause in the war clause. It is useless to look to the life companies for relief for several years, it reads, because rates will be such as to discourage both private and commercial flying. Hence it is "mandatory" for the government to extend the N.S.L.I. act or initiate a similar one for aviation, it goes on. Other aviation groups are called on for support.

The unwillingness of business to make every attempt to settle its difficulties within the business family before going to the government is unfortunate.

Perhaps every business, including insurance, should have some sort of or-

ganization whose function it would be to hear complaints from groups or individuals outside its own field. This would afford the opportunity of intelligent discussion and thus dissipate a great deal of critical feeling. It could explain in the present case why certain occupations, including locomotive engineers and airplane pilots, probably al-

ways will take a slight rating. Such an organization also could take up complaints of its own people against other businesses and attempt by conference and study to reach a solution satisfactory to both sides. In this way business and not Washington would benefit. Appealing to the government is not a solution.

## PERSONAL SIDE OF THE BUSINESS

**Harley R. Hootman**, who has been an examiner for several states during the past 14 years, has resigned from the Mississippi examining staff due to illness and will remain at his home in Sheldon, Ill., for a year or so in an attempt to recover from a severe attack of arthritis.

**Harry Routh**, world fire manager for Eagle Star, has been spending some weeks on this side of the ocean and visited the United States office in New York City.

**William J. Chisholm**, who retires Feb. 16 as secretary of Boston and Old Colony, was guest of the officers of the company at a dinner in Boston. Mr. Chisholm spends much of his time on his farm at Stratham, N. H.

**Hermon Dunlap Smith** of Chicago, vice-president of Marsh & McLennan, is addressing the student body of the Lucy Flower Technical High School, Chicago, in a "Citizens of Tomorrow" program that will be heard on radio station WGN Saturday at 10 a.m. He will explain how Lucy Flower's name was adopted by the school trustees. Mr. Smith is a trustee of the University of Chicago, president of Children's Home & Aid Society, chairman of Council of Social Agencies and director of Illinois Society for the Prevention of Blindness. He is author of "Revolutionary War Journals of Henry Dearborn" and a contributor to the Encyclopedia Britannica.

**Herbert Hunter**, insurance superintendent of Manitoba, is believed to be the only insurance department head in either Canada or the United States who has gone through all the Blue Goose chairs and served as most loyal gander. He has just been appointed deputy most loyal gander for Manitoba.

**S. S. Linder** of the bank and bankers department of Aero Insurance Underwriters, Los Angeles, has been making a trip through the middle west. He visited Chicago with Harry Golding of Aircraft Associates, Long Beach. Mr. Linder reports that the financing of aircraft has increased appreciably the past three months along the coast, on planes released as surplus by the government to civilian buyers.

**Richard E. Farrer**, special agent of Home, addressed the Grand Rapids Exchange Club at a luncheon Monday on "The Economics of Insurance."

**Lafayette Fire** Nov. 28 celebrated its 75th anniversary with a dinner at Antoine's restaurant in New Orleans. Louis Schuler, director since 1903; Ben Dart, of Dart & Dart, attorneys, whose firm has represented Lafayette for 61 years; H. J. Waguespack, of Vacherie, La., first agent appointed; George J.

Wegmann, vice-president and secretary; R. G. Osgood, fire secretary of North America, with which Lafayette maintains an operating agreement, and John Kremer, retired vice-president and now assistant to the president of North America, gave talks. John X. Wegmann, president, outlined history and traditions of the company. Maurice Hartson, Jr., was toastmaster.

A portrait of Marquis de Lafayette was presented by Mr. Kremer, a replica of a painting from life by Charles Wilson Peale. The original is in the art collection in Independence Hall, Philadelphia. Accompanying it was an original letter written by General Lafayette to Miss Sarah Peal, niece of the artist.

**Walter H. Ross**, special agent of Home covering northwestern Ohio, fell on the icy pavement at Ravenna and broke his right arm and strained his back. He is at his home in Columbus and will be laid up for several weeks. The accident happened on the 19th anniversary of his joining the Home organization.

**Herbert Cobb Stebbins** of the Cobb & Stebbins general agency of Denver has presented to the Denver library the Stebbins' family genealogy which he believes is the earliest family genealogy that was published in this country. It is a record of the family in America from 1707 to 1771, having been printed in Hartford by Ebenezer Watson in 1771. It has been passed for many generations from father to eldest son in their family. He ascertained that the Library of Congress possesses one of the originals and hence he presented his to the Denver library.

**Porter B. Chase** has resigned as a director of the two Hartford and as a member of the finance committee. He has served on both directorates since 1928 and on the committee since 1938. His father served as president and as board chairman of Hartford Fire, and his grandfather was president of the company for 41 years. Mr. Chase is unable to continue giving his attention to his duties as a director because he has moved to Hyannis, Mass.

## DEATHS

### Frank N. Julian, Veteran Ala. Superintendent, Dies

**Frank N. Julian**, 72, superintendent of insurance of Alabama and former president of the National Association of Insurance Commissioners, one of the best known men in the commissioners' ranks, is dead. He had suffered a heart attack about a year ago, but had re-

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Editorial Assistant. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

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**SAN FRANCISCO 4, CAL.**—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Resident Manager. Miss A. V. Bowyer, Pacific Coast Editor.



covered sufficiently to being able to be up, when he was stricken again.

Superintendent Julian had been prominent in Alabama political circles since the turn of the century, starting in 1899 as a clerk in the legislature. He was secretary of the state's constitutional convention in 1901 and secretary of state 1907-11. He first became superintendent of insurance in 1923, serving until 1927,



FRANK N. JULIAN

then was reappointed in 1935 and had served continuously since then under three governors. For 20 years or more he never missed a convention of insurance commissioners. He was elected president in 1938 and previously had served as chairman of the executive committee.

Widely known as "Uncle Frank," Mr. Julian had a warm friendliness and wit that made him a favorite after-dinner speaker. His wealth of Negro dialect stories knew no end. He has appeared on every program of the Alabama Association of Insurance Agents as long as most agents can remember and held a gold embossed card as honorary member No. 1 of the association.

He founded Bankers Fire & Marine and was its president from 1929 until 1935. His son-in-law, Sam M. Boykin, is now its president. Beginning life as a country newspaper editor, Mr. Julian was editor of the Sheffield "Standard" 1915-23 and was president at one time of the Alabama Press Association. He was a charter member of the Sheffield Rotary Club and former president of the Sheffield Chamber of Commerce.

Whenever he was in New York Mr. Julian always created much amusement by his firm refusal to ride in subways. He explained that he did not want to be killed underground.

At one time Mr. Julian was an official of Union Life and Unionaid Life, both companies then being located at Rogers, Ark. He then returned to Alabama to become president of the newly organized Bankers Fire & Marine.

Mrs. Bertha Cromer Lasher, wife of Clinton D. Lasher, resident secretary and manager of Home in San Francisco, died there. When Mr. Lasher was an employe in a local agency in Indianapolis, he met Miss Cromer, daughter of John D. Cromer, then Indiana state agent of Home. Mr. Cromer had a son who was special agent of Home, working with his father and showing great promise. On his untimely death, Mr. Cromer selected his son-in-law, Mr. Lasher, to fill the vacancy. That started his career with Home, in which he has advanced steadily to positions of greater responsibility.

Frank L. Cowles, who retired as vice-president of the Glens Falls companies in 1941, died at his home in Glens Falls at the age of 69.

Mr. Cowles started with Glens Falls in 1912 as manager of its newly organized automobile department. In 1919 he was made assistant secretary and in

1924 was elected to secretary. He became vice-president of the three Glens Falls companies in 1929. He was a representative of Glens Falls in the Marine Office of America, Cotton Fire & Marine Underwriters, Registered Mail Bureau, National Association of Automobile Underwriters and Associated Aviation Underwriters.

Mrs. Cowles' father was R. A. Little, former president of Glens Falls.

A son, Frank L. Cowles, Jr., was connected with Glens Falls Indemnity and is now in the army.

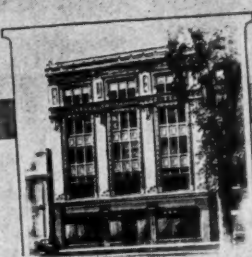
Max E. Engelhard, who has been in

charge of accounts, finances and purchases of the Engelhard-Krogman & Co. agency of Chicago, died of a heart attack. He was about 70 and was a brother of Herman H. Engelhard, member of the firm. Max Engelhard had been connected with the agency since about 1931. Previously he was associated with C. C. Mitchell & Co. from 1910 to 1920, in the bond and investment business, and then was a vice-president of American Bond & Mortgage Co.

First Lt. Irving D. Barr, 31, formerly with the local agency of Chas. Sykes &

Son in Nashville, died from a heart attack at Fayetteville, N. C.

Earl D. Jacobsen, 50, assistant chief examiner in the Pacific department of Royal-Liverpool, died in San Francisco. Before joining the group in 1924 he was with the Pacific Board. He was prominent in American Legion and fraternal affairs and had served as grand master of the I. O. O. F. grand lodge of California. In the first world war he was wounded, gassed and poisoned and had been partly incapacitated since his return to civil life.



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EDMUND J. ABBOTT, PRES. & MGR.  
J. LEROY MINTIE, VICE PRES. & TREAS.  
WILMOY T. ABBOTT, SECRETARY

March 27th, 1944

"We would have had a tremendous loss  
and interruption of business"

THE ABOVE STATEMENT is from a letter written to A.D.T. by Mr. E. J. Abbott, President of Hampson-Mintie-Abbott, Inc., a leading furniture store in Waterbury, Conn. It is typical of the expressions of thousands of other business men who have escaped the crippling after-effects of serious fires through their foresight in adopting A.D.T. Protection Service.

In this case an automatic alarm was received at 6:33 A.M. on a recent Sunday from a fire which started inside an elevator partition. That there was no one in the building to discover the fire and take proper action was of little importance because the A.D.T. Sprinkler Supervisory and Waterflow Alarm System immediately and auto-

matically summoned the fire department. Admitted by the A.D.T. guard who responded to the alarm with a key to the premises, firemen quickly extinguished the flames and minimized water damage by shutting off the sprinkler system when the fire was out.

Besides causing the sprinkler system to function as an automatic fire alarm, A.D.T. supervision guards against closed shut-off valves and other conditions that might impair the efficiency of the system. In many cases this service enables owners to make substantial economies while securing increased protection.

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Write for illustrated booklet giving complete details.

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CENTRAL STATIONS IN ALL PRINCIPAL CITIES OF THE UNITED STATES

**A.D.T.**

*Electric Protection Services*  
**AGAINST FIRE · BURGLARY · HOLDUP**  
A NATION-WIDE ORGANIZATION

## Questions THAT ARE BEING ANSWERED FOR ...

25 million readers of AMERICAN HOME,  
SATURDAY EVENING POST and TIME and  
5 million listeners of CEDRIC FOSTER  
radio news commentator

*Who  
is The Man with  
the Plan?*

Answer: He is The Employers' Group Man, a professional, recognized insurance expert.

*What  
does he do?*

Answer: He provides freedom from worry over financial loss.

*How  
does he do it?*

Answer: He provides expert insurance counsel to home owners and business men through a carefully prepared, individualized protection plan.

*Why  
does he do it?*

Answer: He wants to be certain the people in his community have planned protection against the insurable hazards to which they are exposed.

*Where  
do I find him?*

Answer: This question is asked by thousands of readers and listeners who in turn are referred to our local agents and brokers.

*Are you The Man  
with the Plan in  
your Community?*

### BE THE MAN WITH THE PLAN IN YOUR COMMUNITY

The advantages created by the use of The Employers' Group Analysis Plan, by national magazine advertising, direct mail sales programs, and coast-to-coast broadcasts every Sunday evening at 9:30, E.W.T., may be yours. Why not get the details now?



## The Employers' Group INSURANCE

*Surety and Fidelity Bonds—Fire and Casualty Insurance*

THE EMPLOYERS' LIABILITY ASSURANCE CORP., LTD.  
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THE EMPLOYERS' GROUP MAN IS THE MAN WITH THE PLAN

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## Seek to Meet Bond Needs of Private Construction Field

W. D. Dean Discusses Prospects Before Massachusetts Association

BOSTON—The surety business is making an earnest effort to provide coverage specifically intended to meet the requirements of commercial and residential builders, W. D. Dean, general manager Bureau of Contract Information, Washington, declared at the public relations dinner here of the Surety Underwriters Association of Massachusetts. The tentative form already has been drawn up, he reported. "Of course, you may find that an entirely new approach to the whole problem will be necessary, and that radical departures from accepted ideas of suretyship will be required. Whatever has to be done, though, to capture this huge market, will be well worth the effort because private construction is the one great undeveloped source of bond business," he observed.

### Must Be Acceptable to All

"Don't go out and try to capture this market until ready to supply the sort of protection which the owner needs, and the architect approves and the contractor accepts," Mr. Dean warned. "It is going to be a tremendous educational job when it really gets going. There will not be any statutes to drive the business to your door. It means an immense amount of hard work, and the very highest type of salesmanship, backed by full cooperation from all departments of suretyship."

"Corporate suretyship has accumulated its share of bad habits that must be eradicated if full possibilities for sound development are to be realized in the after-the-war construction program," Dean declared.

Calling attention to failure of the surety business in the past to fully grasp the importance of sustained public relations work, Mr. Dean pointed out that "construction suretyship can make no more real progress without public understanding and good-will."

While acclaiming the success of corporate suretyship over the past 50 years, Mr. Dean stated that the business enters its second half century with a job of house-cleaning before it. Among surety processes singled out as in need of improvement were acquisition methods and settlement of claims. Both of these, he maintained, must be geared more closely to the task of creating good will for suretyship.

The dinner was attended by home office executives, representatives of construction firms, including architects, engineers, road builders, marine and water contractors, executive officers of the army and navy engineering service and park department officials.

George W. Berry, who has been treasurer of the Surety Underwriters Association since its foundation in 1919, presided over the dinner. At its conclusion he was presented a handsome desk set from the members in recognition of his long and able service.

### MANY DIFFICULTIES FACED

With the prospects of extensive post-war home building surety men are definitely interested in devising some means

(CONTINUED ON PAGE 32)

## Tells How Credit Men Got Surety Requirement Back

Disclosure that the National Association of Credit Men was influential in inducing various federal agencies to reconsider the decision at the outset of the war to waive surety bond requirements was made by E. B. Moran of Chicago, central division manager of the credit men's association, in addressing the luncheon meeting of the Surety Underwriters Association in Chicago, Tuesday.

The government agencies decided to waive the bond requirements on the theory that this would remove delays and help to speed production. The credit men's association, however, believed that the abolition of suretyship would retard war work because it would compel individual credit men to determine to whom they would have to look for payment of accounts. Representations were made to the War and Navy Departments, maritime commission, engineer corps and other agencies. Charles Baldwin, who was head of the credit men's Washington office and is now a commander in the navy, spearheaded the credit men's effort to have bonding requirements restored. He found that the government authorities at first were unsympathetic largely because of the surety bond rate that was charged.

The credit men's association thereupon called together the executives of surety companies and outlined to them the government attitude. Subsequently the surety interests agreed to revise their contract bond rates for war contractors and the War Department, ordnance and engineer corps agreed again to recommend the use of surety bonds.

Mr. Moran stated that the credit men's association was largely responsible for enactment of the Hurd act and the Miller act which replaced it governing the provisions of contract bonds running to the government.

### Want State Legislation

The credit men's association is also interested in getting legislation in the various states comparable to the Miller act for the protection of subcontractors on state jobs. There are about 17 states that have laws of this nature and in the 1945 legislative season the credit men's association will endeavor to secure such legislation in 10 additional states. Also the association wants the Miller act amended to cover "all essential needs," Mr. Moran said.

Accompanying Mr. Moran at the luncheon were Harold Hess, director of public relations Chicago Association of Credit Men; J. S. Cox, secretary-manager of the Chicago unit, and C. W. Dittmar, credit manager of the Crane Co., and vice-president Chicago Association of Credit Men.

Ward Hilton, Hartford Accident, the new president, presided and announced that Travelers Indemnity had been drawn as the company to write the bond on the new officers of the Surety Association. H. J. Jeffery, secretary of the Loyalty group, introduced Mr. Moran, as chairman of the public relations committee of the Chicago Surety Association.

### Landis' Executor's Bond

American Casualty through the Meeker, Magner & Co. agency, has written a \$150,000 executor's bond in behalf of Leslie M. O'Connor as executor of the estate of Kenesaw Mountain Landis, commissioner of organized baseball, who died Nov. 25. The estate is estimated at \$100,000. The will has been filed in the probate court at Chicago.

## Name Harper Senior Vice-president of Maryland Casualty

William T. Harper, vice-president of Maryland Casualty, who for the last two years has been directing head of its casualty operations, has been named senior vice-president. The office of senior vice-president has been vacant since Edward G. Lowry, Jr., resigned about two years ago to become vice-president and treasurer of E. R. Squibb & Sons.

Mr. Harper has been a director of the company since 1943 and was named to the executive committee earlier this year.

As senior vice-president, he will be chief administrative officer under Stewart McDonald, chairman and president.

Arthur Nickerson, who has been head of the automobile department, becomes vice-president in charge of all casualty operations. Charles Herget and Edgar Carr, formerly assistant managers, become managers of the compensation and liability department. Charles Peterson, who has been assistant to the president, returns to his former position of assistant vice-president in the bonding department.

One of the most widely known insurance executives in the country, Mr. Harper spent his entire business life with Maryland, starting as a clerk in 1911.

Since that time, he has held important executive positions in the underwriting operations of the company's business, and as head of the agency and production division.

Mr. Harper represents Maryland on the executive committee of the Association of Casualty & Surety Executives, and also serves on its casualty advisory committee and a number of subcommittees. In addition, he is a member of the executive committee of the National Bureau of Casualty & Surety Underwriters, and a member of the casualty advisory council of the United States Aviation Insurance Group.

A native Baltimorean, Mr. Harper after being graduated from Baltimore City College, took special courses at Johns Hopkins University and the University of Maryland. He was only 18 years of age when he entered the employ of Maryland in the fidelity department. He later became an underwriter, then assistant supervisor of the public official and depository department. In 1917, only a little more than six years after his connection with the company, he was promoted to be manager of the department.

In 1934 he was placed in charge of the agency and production work with the title of agency director. In 1935, he was elected vice-president.

In 1942, Mr. Harper was placed in charge of all casualty underwriting departments, and a year later was given full executive control of all casualty operations.

## Social Security Tax Freeze Passes House

WASHINGTON—With the recommendation of the House ways and means committee the bill to freeze social security old-age and survivors insurance taxes at 1% for 1945 passed the House after three hours debate.

The bill provides for a tax rate of 2½% for the three following years and 3% annually beginning in 1949.

## Only Motive to Banish Private Coercion: Biddle

Justice Department Head Answers Campaign Tract

Attorney General Biddle has entered a disclaimer that the Justice Department's anti-trust prosecution of insurance companies is part of a program for federal regulation of insurance or to oust the states of their present jurisdiction. The denial of such an aim was made in a letter by Mr. Biddle to John S. Tunmore, New York City general agent of Provident Mutual Life.

Mr. Tunmore had sent to Mr. Biddle for comment a campaign tract "What the 1944 Campaign Means to Insurance" put out by the Democratic-Republican Insurance Club for Dewey, which had its headquarters in New York.

The tract alleged that the South-eastern Underwriters Association case is part of an effort "to bring insurance within the realm of bureaucratic control."

### Disturbing Effect on Agents

Asked about Mr. Biddle's letter, Mr. Tunmore said he was very glad to get it and that it put everything in the clear. The campaign pamphlet describing the Justice Department's alleged aims regarding insurance were distributed in his agency without his knowledge and they had a disturbing effect on the agency force. Wishing to get the matter cleared up, he wrote the Attorney General, enclosing the pamphlet and asking him frankly about its allegations. Though a Republican, Mr. Tunmore felt when he first saw the pamphlet that this type of campaign literature would do more harm than good to the life insurance business because of its disturbing effect on agents and the insuring public.

Mr. Biddle wrote to Mr. Tunmore saying that he recognized that the tract was a campaign document but that "it contains such distortions of fact and misleading statements that it should not go unanswered."

The S.E.U.A. prosecution, Mr. Biddle said, "is rather an attempt to enforce the anti-trust laws in such a way as to eliminate practices in the insurance industry which have been repeatedly held to be inimical to the public interest. The Department of Justice has no desire or purpose to break down state regulation of the insurance business."

### Private Coercive Practices

"Surely, this great business can be conducted in accordance with effective state regulatory laws without resort to private monopolistic and coercive practices which violate the federal anti-trust laws."

Mr. Biddle went on to say that under the Supreme court decision in the S.E. U.A. case the business of insurance is interstate commerce, and the regulation of insurance is within the province of Congress if Congress proposes to enact requisite legislation. At no time, however, Biddle states, has the Justice Department advocated nor does it now advocate federal regulation. Furthermore he stated he had not heard any official department or agency of the administration suggest such a program.

Biddle quotes a statement in the pamphlet: "In the long run a state is so-



W. T. Harper



cialistic or it maintains the individual free enterprise system. It is certain that there is no middle way."

As to that, Biddle stated the Justice Department suit against the S.E.U.A. is aimed "at a private collectivism in the fire insurance industry which determines who shall be permitted to do business and what prices are to be charged. All who oppose this regimentation and try to compete are treated as outlaws. An essential part of the free individual free enterprise system is freedom to compete. A free enterprise system is incompatible with restrictive price agreements or with coercive measures to exclude outsiders. The employment of such devices in an industry have an inevitable tendency to promote regulation in order to protect public interests. The enforcement of the Sherman act as a means of removing private abuses is the best way to avoid further regulations."

"It is, of course, the privilege of any citizen to urge that the anti-trust law should not be applicable to him or to the industry in which he is interested. He may take the position that for some special reason he should be permitted to engage in coercive tactics against competitors and to enter into price fixing arrangements which would ordinarily be considered against the public interest. As a matter of common honesty, however, an argument for immunity from the Sherman act should not be dressed up as an argument against federal regulation or in favor of free enterprise. It is an argument in favor of a form of private collectivism."

### Ohio Responsibility Law Opinion

COLUMBUS — Attorney General Herbert of Ohio has handed down an opinion that Ohio motorists who have against them "unsatisfied live judgments" resulting from the operation of a motor vehicle cannot obtain a driver's license until they have filed an insurance policy or other evidence of financial responsibility with the registrar of motor vehicles. It is immaterial, he said, whether the judgment was rendered before or after the law was passed. The driver must file new evidence of financial responsibility each year when he applies for his driver's license. The attorney general also held that a discharge in bankruptcy, which is a bar to collection on the judgment, will relieve the driver from the necessity of showing financial responsibility for future licenses.

### O. K. Circus Arbitration Plan

HARTFORD—The plan for arbitration of claims arising out of the July circus fire drawn up by a special committee of the Hartford County Bar Association has been approved by directors of circus and by lawyers representing claimants.

It is hoped that most of the claims can be arbitrated by Christmas, and that claims amounting to \$1,500,000 may be adjudged by next April.

A new suit against the city of Hartford and the circus was filed last week on behalf of 10 more claimants, asking an aggregate of \$150,000.

### O. K. Participating Powers

An amendment to the by-laws of Eureka Casualty to permit the writing of participating policies has been approved by the directors.

### Biederman with Preferred

G. J. Biederman, adjuster for General Accident, Chicago, 17 years, has gone with Preferred Accident there.

W. H. Bennem, vice-president of American Surety and New York Casualty in charge of the fidelity department, has completed 35 years of service. He joined American Surety in 1909 as office boy, became assistant manager of the fidelity department in 1927, manager in 1929, and vice-president in 1941.

## Tells How Sureties Can Avoid Malicious Prosecution Suits

The possibility of suits for malicious prosecution creates an eternal fear in surety companies and results in innumerable defaulters escaping prosecution, John P. Hampton, member of the Chicago law firm of Dent, Weichelt & Hampton, said in a talk before the Surety Claim Men's Association of Chicago. Mr. Hampton dealt with "Possible Liability of a Surety Arising from Prosecution of Bonded Defaulters and Recommended Procedure."

Mr. Hampton said he had been unable to find a single malicious prosecution case in a reviewing court in Illinois where a corporate surety was defendant, and there are not many such cases in the nation.

Since sureties do not ordinarily sign complaints, Mr. Hampton said, it is interesting to know the degree of participation necessary to create liability on the surety. The test, he said, is, "Was the surety the proximate and efficient cause of maliciously putting the law in motion?" It is technically immaterial that neither the surety nor its agent signed the complaint. However, mere acquiescence in or knowledge of instigation of the prosecution is not enough to involve the surety.

### Precautionary Measures

He suggested several precautionary measures to avoid suits by principals. A signed confession should be obtained. If not, then trivial cases should not be prosecuted by sureties. Never start or threaten prosecution until a full and complete investigation has been made, he recommended. No opinion as to guilt or innocence should be formed until the investigation is completed, and then it should be formed deliberately, impartially and after full consideration of all available facts. If a confession is not obtainable, Mr. Hampton recommended getting the advice of a disinterested attorney before prosecuting. He advised not suggesting that prosecution may be avoided in consideration for restitution, and never writing a letter to the principal threatening prosecution unless restitution is made. Sureties should maintain their practice of not prosecuting in their own names, he recommended. If, after prosecution is started, the principal wants to make restitution and the surety wants to accept, he suggested releases be obtained before acquiescing in the dismissal of the criminal proceeding.

### Hobbs Hits Territorial Rate Setup in Kansas

NEW YORK—Commissioner Hobbs of Kansas will confer this week with the National Bureau of Casualty & Surety Underwriters in an effort to work out an arrangement in line with his recent order to companies to remove what he termed rate discriminations in some territories in Kansas. Mr. Hobbs hopes that some satisfactory basis can be worked out without resort to the courts. While Kansas has no rating law he feels that the charging of the same rates in counties having substantially different degrees of hazard can be shown to be a violation of the state law that requires uniform rates for risks of essentially the same hazard.

### New Companies in Conference

Pacific Mutual Life and National Life Assurance of Oklahoma City were admitted to membership in the Health & Accident Underwriters Conference at an executive meeting this week in New York. This brings the total membership in the conference to 130.

### Minn. "Comp" Rates Down 3.9%

ST. PAUL—The Minnesota compensation insurance board has approved a rate reduction of 3.9% for 1945.

## Outlines Program of Aid to Men in Uniform and for Their Reemployment

Mrs. Beatrice Chamberlain, personnel director of Mutual Benefit Health & Accident and the United Benefit Life, in addressing a meeting of the Insurance Institute of Nebraska at Omaha outlined the practices that her companies have adopted to assist employees who are in military service and to pave the way for reemployment after the war so as to give the fullest possible range to their potentialities.

Mrs. Chamberlain said that since September, 1940, Mutual Benefit H. & A. and United Benefit Life have been making gratuity payments to service men of from one to three months salary depending upon length of employment. Any retirement annuity coverage in force on employees is continued and the companies pay the employees share of premium as well as the company share. All A. & H. policies handled on the premium deduction plan are continued and the companies pay the entire cost. A year ago hospital coverage was extended to wives and children of service men.

Free publications are sent to the service men, there have been company gifts at Christmas and this year the employees also sent gifts.

In making replacements the fact was always kept in mind that the men might be returning. Most of the replacements have been female and about 50% of them are duration employees. The potentialities of those that are not duration employees are studied to determine what assignment they might be given in the post war period. The management feels that its normal turnover plus increase of business will enable them to take care of the returning service man easily. Also return to a shorter work week and resumption of departmental functions that have been suspended during the war will help.

The company is completing an analysis in writing of the future potentialities of each service person containing data as to education, experience in the office, traits of character and work, record of additional training in service and recommendation for a post-war assignment. A questionnaire has been sent to service men asking for their post war plans, inviting them to return and to have a voice in the selection of their assignment.

### Giffin to Retire; Lewis Is Successor in Aetna Change

Irving F. Lewis, assistant manager of the accident and health department of Aetna Life at New York City four years, will become manager when C. A. Giffin retires Jan. 1, after 30 years with the company.

Mr. Lewis has been with the company for 24 years and formerly was in charge of the 42nd Street accident and health department.

### Roeber Reports on Labor Shortage in Council

NEW YORK — The contemplated 1945 schedule of rate revisions of the National Council on Compensation Insurance is going to be seriously disrupted unless there is a decided improvement in the shortage of experience personnel that has developed in the last few months in the tabulating and calculating division, according to the report of General Manager W. F. Roeber at the annual meeting here.

Mr. Roeber also reported that the Supreme Court decision in the S.E.U.A. case has been carefully studied by the council's governing committee. The committee after full discussion expressed the opinion the activities of the council and its administrative bureaus are in accordance with existing federal and state laws and are in the interests of

## Raise Commerce Issue in Fighting Assessment

NEW YORK—At the Wednesday morning session of the National Association of Insurance Commissioners Gough of New Jersey explained a case pending in the Essex county court of common pleas at Newark. Under the New Jersey law policyholders in the state can be assessed by outside mutuals and their property levied on. The receiver of Central Mutual of Chicago is now pressing suits against New Jersey policyholders for collection of assessments. A group of policyholders is resisting the action on the ground that the New Jersey statute is invalid under the U. S. Supreme Court decision because it offends interstate commerce. The attorney general has filed a brief in which he holds that the states have a right to enact and enforce police regulations for the benefit of the public.

### Health Program Conference Proposes National Scheme

The Health Program Conference, made up of prominent physicians, economists, and administrators, has proposed a nation-wide health insurance program, to which all would be required to contribute in proportion to earning capacity. The smaller contribution of low-income groups would be supplemented by taxation.

The plan differs from the Wagner-Murray-Dingell bill pending in Congress in that it provides decentralized administration, local responsibility, recognition of voluntary hospitals and voluntary health insurance plans, and determination of policy by groups in which the public and the doctors would be represented, according to M. M. Davis, chairman of the conference and also chairman of the committee on research in medical economics. The plan would be national rather than state because many states lack the necessary financial resources.

Lyle L. Beach, 42, associate counsel of Continental Casualty, Chicago, died following a prolonged illness. He joined Continental Casualty six years ago as assistant general counsel. In January, 1943, he was forced to forego all business activity. Immediate cause of death was internal hemorrhage and heart failure. He had been active in legislative work.

He attended Drake University and received his law degree from the Chicago Kent College of Law in 1922. He practiced law in Beresford, S. D., until 1927 when he joined Standard Oil Co. of Indiana. In 1933 he went with the Crane Company to do legal and tax work. He was a member of the Insurance Federation of Illinois and the Health & Accident Underwriters Conference.

However the legal committee is still studying the matter in the light of the court's decision.

Mr. Roeber's report contained a warm tribute to the late C. W. Hobbs, for many years special representative of the National Association of Insurance Commissioners on the council. Most of the report was a review of the council's numerous activities.

Otway Conard, executive secretary of Standard Accident, has completed 25 years with the organization. He received felicitations from officers and associates and expressions of congratulation from his friends in the field. Employees of the automobile department presented him with a gift. His brother, William K. Conard, is office manager of Standard Accident at Philadelphia.

Conduct your own public relations campaign with **The Insurance Buyers' Digest**. Write National Underwriter, 175 W. Jackson Blvd., Chicago 4, for samples.



## Nearly 5 Million Are Under Proposed Medical Care Plans

From four to five million people were covered under prepayment medical care plans in 1943, it is estimated in a statistical summary included in the second edition of the Social Security Board's prepayment medical care organization report. This figure does not include members of strictly hospital plans, such as Blue Cross, the Federal Security Administration plans, student health services, etc. The 214 plans listed in the directory have nearly three million subscribers and 300,000 dependents and it is estimated that there are from one to one and a half million subscribers to plans on which data is not available.

Nearly 43% of the 3.3 millions in the 214 plans are covered under industrial plans, 28% by medical society plans, 15% by private group clinics, 7% by governmental plans and 5% by consumer-sponsored organizations.

All but 12 states have some type of prepayment medical care plan, the New England states having the smallest number and smallest coverage both in numbers and proportion to population. The plans are particularly popular in the Pacific states, more than a million persons or 10% of the population of Washington, Oregon and California being covered by 57 plans.

More than 32,000 physicians were associated with the 214 plans in 1943, 836 full-time, 6,500 part-time and 25,000 under contract to accept patients.

Over 75% of the plans have membership restrictions based on age, physical condition and income level.

More than 65% of the persons covered by the 214 plans were entitled to receive physicians' care in the office, home and hospital for medical and surgical cases and hospitalization for other than excluded illnesses, while 73.5 were entitled to hospitalization. About half the members covered under the 214 plans were entitled to dental care either on a prepayment or reduced-fee basis, the percentage going up to 67 in industrial plans.

Details regarding the type, area served, eligibility, coverage, personnel, medical services provided and charges are given for the 214 plans listed. Copies of "Prepayment Medical Care Organizations," bureau memorandum No. 53, can be secured from the U. S. Government Printing Office, Washington, D. C., for 30 cents.

## E. M. Allen Predicts Big Aviation Insurance Gains

MEMPHIS—E. M. Allen, executive vice-president of National Surety and past president of the National Association of Insurance Agents, addressing National Surety agents at a banquet here, predicted "a big development in aviation insurance."

"Men who have been taught to fly are going to stay in the air one way or the other," he said. "You'll see private planes in operation everywhere. Just as Henry Ford revolutionized the automobile business, someone will produce a lightweight plane, priced within the reach of everyone."

He stated that while throughout the war burglary and theft losses have been about normal, during the past year there has been a gradual increase in frequency of claims and amounts.

Mr. Allen went from here to Clarksdale, Miss., to participate in the celebration of the 50th anniversary of J. H. Johnson as a local agent.

## Chicago Group to Hear Nurse

The Casualty Engineers Association of Chicago at its meeting Dec. 8 at 19 South La Salle street will hear Miss Grace Balyard, registered nurse on "Industrial First Aid."

## Standard Tells Plans for Promoting Employment of Returning Veterans

Standard Accident has named E. A. Warnica, executive secretary, as chairman of the post war reemployment planning committee which has already prepared a program covering reinstating, reindocinating and rehabilitating returning veterans. Standard has issued instructions to its branch managers, department heads and supervisory employees concerning reception of returning veterans.

President C. C. Bowen recently addressed the employees that are in the armed forces stating that in reinstating a veteran, Standard will give consideration not only to the nature of the work he was performing when he left on leave of absence but also his present qualifications including any special training or talents and increased maturity resulting from military service. Each veteran will be considered individually and so far as possible on the basis of his own desires. A special study will be made on behalf of those that are injured so as to provide for their maximum usefulness and earning power. The time that an employee has spent in military service will be added to his record to determine the total period of his employment with Standard. That will be used in determining membership in the Standard Ten-Year Club together with vacations and other benefits.

The returning veteran will be brought up to date with company and general insurance developments and if more comprehensive insurance education is needed the facilities will be provided.

## Tells of Operations of American Farmers in Cal.

LOS ANGELES — With Commissioner Garrison respondent in a suit in the federal court here filed by First National Benefit of Phoenix, Ariz., to enjoin him from interfering with the operations of the company under the commerce clause, and in view of the suit of Charles Mendola in New York as a representative of American Farmers of Phoenix to have certain sections of the New York insurance code declared unconstitutional, the following paragraph from the monthly report of Mr. Garrison to Governor Warren is of interest:

"The American Farmers Insurance Co. is not admitted to transact insurance in the state of California. By section 703 of the insurance code any acts of their agents are misdemeanors. For violation of this section and sections 1680 and 1714 (sections requiring that agents in California be licensed) Frank Emsinger, agent of this company, pleaded guilty Oct. 23 in the justice court of Visalia, Tulare county, and on Oct. 18 in the justice court of Hanford, Kings county. In Tulare county he was given a 90-day suspended sentence Oct. 28, placed on two years' probation and fined \$500. In the second action commitment was withheld and he was given a 90-day suspended sentence and ordered to make restitution to whatever persons in the county had purchased policies through him and demanded such restitution. In spite of that order, he left the county Oct. 30 without making restitution and Oct. 31 a bench warrant was issued for his arrest. Both these convictions were secured by representatives of your commissioner with the cooperation of the district attorneys of the two counties."

## New Taxi Insurer at Dallas

The newly organized Universal Lloyds of Dallas will specialize in the insuring of taxicabs of the Nichols Bros. Taxi Co. of Dallas. Nichols Bros. are the principal interests in Universal Lloyds. There is a guarantee fund of \$80,000 composed of real estate mortgages.

## Value of Credit Cover on Small Business Loans

In connection with assuring adequate bank credit for small businesses in the reconversion and post-war period, H. Lloyd Jones, deputy U. S. manager of London Guarantee, in a recent talk emphasized the value of credit insurance for banks as additional loan protection. This might in many instances prove to be the deciding factor as additional security needed to permit granting a loan to a would-be borrower who otherwise might be unable to meet the full requirements of the lender, he said.

Credit insurance, he pointed out, is designed to protect the merchant against loss arising from sales on credit to debtors that have one of the stipulated mercantile agency ratings. It is written as general or specific coverage, the former designating policies which insure all of a merchant's accounts receivable, and specific insuring only those accounts submitted in advance to the insuring company for specific approval.

## For Manufacturers, Wholesalers

Credit insurance begins when the shipper loses physical control over his product and it is on its way to the purchaser. It is limited to manufacturers, jobbers or wholesalers who sell to the trade, and does not cover retail credit. Slow accounts are guaranteed under the policy, he said.

The insurer does not attempt to replace the credit manager of a business firm, but aims rather to extend the efficient credit work and the education of business men to the importance of building up the credit department. One of the first things an underwriter looks into is the efficiency of the credit department of the applicant. The function of the coverage is to protect against the unexpected and unpreventable accidental loss incurred in spite of every precaution taken by the policyholder. Death, business depression, fraud, calamities, and other casualties are beyond the power of credit men or insurers to foresee, but all contribute to the inability of the debtor to discharge his obligations, he said.

He pointed out that the policy cannot be canceled or terminated until expiration date, the policyholder is required to bear a small percentage of the covered loss as coinsurance, and the insurance is only against loss in excess of the normal credit loss borne by the merchant himself.

## Altmeyer Sketches SS Program of Administration

WASHINGTON—An enlarged program for social security which the administration will submit to Congress next year, Arthur Altmeyer, chairman social security board, sketched at the recent House ways and means committee hearing on freezing the social security tax for 1945, will include extending coverage of old-age and survivors insurance to agricultural and domestic workers, non-profit organizations' employees, and possibly the self-employed, and employees of government, state or local; sickness and disability insurance for disabled workers; medical and hospitalization benefits, and federal administration of the unemployment compensation system.

## Judgment of \$38,665 in Auto Suit

BOSTON—Total damages of \$38,665 were awarded three plaintiffs, victims of a single automobile accident, in Suffolk county court here. Daniel A. Barry of Hyde Park was driving two men to work when he came into collision with a truck, one man being killed. Barry will collect \$5,415; William Dunn \$21,000 and the heirs of Michael Gruberski \$12,250.

## Suggest 9.7% Tex. "Comp" Rate Cut

### Buyers Group Launches Attack on Rate Structure at Hearing

The hearing held by the Texas insurance commissioners at Austin considered rates and classifications in connection with a normal rate revision and a proposal to reduce the allowable expense in workmen's compensation rates, excluding taxes from 35% to 33%. A. Z. Skelding, actuary National Council on Compensation Insurance, suggested that a 9.7% rate cut would be equitable.

Mr. Skelding advocated basing the rates upon a combination of classes of risks so that there would be a consistent volume of experience involved.

A. F. Allen, president of Employers Casualty, charged that the stock companies do not need as large a cost factor as they now are allowed.

Here the question of the relatively higher cost of settling claims on small risks than large risks came in for discussion by Messrs. Skelding, Allen, and Carl B. Calloway of Fort Worth, representing a business men's organization known as the Central Committee.

J. M. Cahill, Council of the Casualty & Surety Companies, raised the question as to methods of analyzing and distributing costs as practiced between the different types of companies. The representatives of the non-stock companies sought to leave the impression through their questions that stock companies spend more on the settlement of losses than should be spent.

A. J. Branscom, Houston, and Mr. Calloway discussed what they termed the unfair profits of the companies. Mr. Calloway charged that the rate embraces too great an expense element and redundant tax factor.

Slides were shown from photostatic records in an attempt to prove that the companies were over reserving, claim expense and tax allowance is excessive.

Mr. Skelding, in replying, alleged that the figures used were taken at random, that the data was erroneous and of no value, stating that unless the explanatory memoranda furnished by the companies when the figures were issued are considered the conclusions reached by Calloway and Branscom are the result of the acceptance of false premises.

Commissioner Gibbs asked a number of questions in an effort to get Mr. Calloway to clarify certain points. The members of the board did not give any indication of their plans.

## Chase Smith Ill. C. of C. Insurance Committee Head

Chase M. Smith, counsel of Lumbermen's Mutual Casualty, has been selected as chairman of the insurance committee of the Illinois Chamber of Commerce. The first meeting of the committee will be held Dec. 19.

## Name Va. Motor Vehicle Aids

C. F. Joyner, Jr., Virginia motor vehicle commissioner, has appointed G. T. Riggins director of the bureau of safety responsibility, in charge of administering the new motor vehicle safety responsibility law, effective Jan. 1. He has been with the motor vehicle division since 1932 and is now senior executive in that department.

R. M. Whitticar, Jr., has been appointed hearings examiner, to hold hearings in connection with administration of the new law. He is a lawyer, has been with the F. B. I. and also has had insurance experience.

New Jersey Manufacturers Casualty, heretofore operating only in New Jersey, has been licensed in Delaware and Vermont.

## ACCIDENT AND HEALTH

### United of Chicago Adds to Capital: Income Up \$2 Million Over 1943

At a special meeting of stockholders of United of Chicago, a stock dividend of 50% was voted, which will increase the capital from \$450,000 to \$675,000.

Statement was made at the meeting that the financial condition warranted this increase and that the annual statement would show a surplus of \$1,000,000 exclusive of capital.

It was also indicated that the income for the year would be over \$6 million, an increase of \$2 million over 1943.

The company is now operating in six states and is contemplating applying for admission to several additional states immediately.

The predominating business of United is accident and health, both weekly and monthly; however, it is making definite strides in the hospitalization field as well as having well established life departments.

### Associated Aviation Has New Accident Program

Associated Aviation Underwriters has announced a new and simplified aviation accident insurance program. Associated now offers one all-purpose accident policy, which will provide, as basic protection, death and dismemberment coverage over any established air route in or between North America, Central America, South America, Newfoundland, the West Indies and Bermuda and in the Hawaiian Islands. Medical reimbursement and weekly indemnity may be added by rider, and the insurance can be adapted to the needs of the individual by including coverage on non-sched-

uled flight, and by covering the insured while operating aircraft as a student or private or commercial pilot.

The number of classifications has been reduced along with all rates that on passengers on regular western hemisphere airlines. Commercial pilots are now charged the same rate as are private pilots. An increase in limits is also being effected. Coverage for such special risks, including groups, will be handled on the same basis as heretofore.

Wesley T. Hammer, who recently joined Associated Aviation Underwriters, is in charge of aviation accident activities.

### Prepare Uniform Form for Substandard A. & H.

Preparation of a manual and a uniform policy form for writing substandard business has been started by the special risks committee of the Health & Accident Underwriters Conference under the direction of Chairman A. D. Anderson of Occidental Life.

In compiling the manual of procedure the committee will limit its scope of activity to risks declined or terminated at present by the average company. Risks which become impaired but are carried on the books by present underwriting procedures will not be considered as substandard. Mr. Anderson points out that a considerable volume of impaired accident and health business is being successfully handled at present by waivers and riders.

A uniform substandard policy is considered necessary by the committee in order to obtain combined experience for future underwriting and rating, as well as simplification and better understanding by the public of the coverage to be granted. Limits of indemnity and

periods payable must of necessity be kept at reasonably low levels. It is hoped that competitive factors can be eliminated in the issuance of substandard coverage and it can be offered to the public as a service.

At a meeting of the special risks committee held last month it was reported that a survey among member companies of the conference indicated that it was considered unnecessary and impractical to form a pool or utilize reinsurance facilities for handling of substandard business. Chairman Anderson believes that his committee can complete the essential work in this project by Feb. 1 for consideration at the mid-year meeting of the conference in Chicago Feb. 5-6.

### Seek to Compose Disputes Over N. Y. Health Plan

NEW YORK—Representatives of six county medical societies in the New York area have been holding a series of conferences with members of Mayor LaGuardia's proposed Health Insurance Plan of Greater New York and it is probable some common ground for agreement may be reached in a week or two. Differences of opinion have existed between the doctors and sponsors of the mayor's plan, principally over the questions of income ceilings for subscribers, lay or medical control over the plan, and the practicability of adding home and office medical care to hospital insurance.

An editorial appeal to labor to join in "constructive action" on health planning appeared in the Medical Society of the County of New York Journal. The editorial, asking for cooperation with the medical profession, called for "bold and determined experimentation in medical economics" to avoid a "federal strait jacket over medical practice."

LaGuardia, announcing his plan over the radio last April, said he preferred a national compulsory system such as the Wagner-Murray-Dingell bill. The editorial declared a compulsory system would result in second rate medical care.

### N. Y. Blue Cross Removes 21-Day Limit Per Year

Increased benefits to policyholders of Associated Hospital Service of New York are announced. Subscribers will be entitled to receive hospital care for 21 days for each separate illness instead of 21 days for the entire year. The policy of granting benefits for 90 extra days at one-half the regular hospital rates will remain in effect for each period of hospitalization. In addition a cash allowance of \$7.25 will be paid to those who may need operating room service at the hospital but who do not become bed patients.

### California Deadline for Renewal Licenses Dec. 15

SAN FRANCISCO — Warning has been issued by the California insurance department to life and disability agents and to the companies which secure their licenses. Renewal applications and fees must be filed with the department on or before Dec. 15. Although renewal applications have been outstanding for almost a month, few have been received by the department. It is reported that many who file applications either fail to include the fee or to pay the proper amount.

Generally, the fee for residents of California is \$2 for each company license, while for non-residents, if the applicant resides within 50 miles of the California boundary, and transacts insurance both in California and in his own state, the fee is also \$2 (except in Oregon where by virtue of retaliatory law it is increased to \$5), while for all other non-residents the fee is \$10.

If the application and the correct fee

are not filed by Dec. 15 the licenses will be subject to a penalty examination.

### Mutual Benefit H. & A. Rally in Omaha Next Week

Managers of Mutual Benefit Health & Accident and United Benefit Life will hold their first meeting since 1940 in Omaha next week. Plans for 1945 will be discussed. More than 160 will be present. A. W. Heuertz, Memphis, president of the managers association, will preside.

### North American Life in Accident and Health Field

North American Life of Chicago entered the accident and health field Dec. 1. Its initial accident and health kits include an individual and a family group hospital policy and a non-classified accident and health policy. By the first of the year, it plans to add an additional accident and health policy and a combination policy to be sold in conjunction with life insurance.

James Croft, supervisor of agencies, will be in charge of the accident and health business.

Mr. Croft has been with North American Life since the first of the year, lining up plans for the new department. He has been in insurance work in Chicago since graduating from college in 1929 and for six years was in the agency department of Continental Casualty.

### Raisbeck Milwaukee Speaker

Clifford Raisbeck, Milwaukee general agent of Great Northern Life, will speak on "The Importance of Planning the Day's Work" at the luncheon meeting of the Accident & Health Underwriters of Milwaukee Dec. 7.

The association's annual Christmas party will be held Dec. 16, with the underprivileged children living at the Milwaukee County Home for Dependent Children as guests.

### George Dyer Detroit Speaker

George L. Dyer, Jr., general agent of Columbian National Life in St. Louis and former president of the National Association of Accident & Health Underwriters, who is now in the army air force at Selfridge Field, Mich., addressed the Detroit Accident & Health Association Tuesday on "Keep Insurance Free."

### Lobby Agency Sets Record

W. E. Lobby of Los Angeles, state manager of the Massachusetts Indemnity, has received word from the home office that his agency is the first in the history of the company to pass the \$200,000 mark for premiums in any year. He still has a month to go.

### West Heads New Department

National Life Assurance of Oklahoma City, formerly National Aid Life, which recently increased its capital from \$100,000 to \$200,000, has launched a new department known as the intermediate department, issuing a full line of lifetime income disability forms as well as a special line of individual and family group hospital policies. W. M. West, formerly of Chicago, well-known among accident and health men, will be vice-president in charge of this new department.

George Neale, manager accident and health department of National Casualty in Los Angeles, announces that Earl McGary, former agency manager, who has been inactive for some time, has again become active in the agency.

### Chicago Branch Soon to Move

The Chicago branch office of American Casualty under A. A. Konitzer, vice-president, will move in two or three weeks to 1507-11 Insurance Exchange, a space about twice as large as the present quarters. There will be no change in the telephone number.

## Announcing

### SEVERAL RECENT CHANGES IN OUR AGENCY

→ OUR APPOINTMENT AS SOLE AGENTS FOR COOK COUNTY FOR THE

VIRGINIA FIRE & MARINE INSURANCE CO.

→ APPOINTMENT AS RESIDENT AGENTS

UNDERWRITERS AT LLOYDS OF LONDON

→ AND OUR REMOVAL TO A NEW HOME

630 INSURANCE EXCHANGE BLDG.

MAC GIBENY-WILKERSON AGENCY

TELEPHONE 8105

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## CHANGES IN CASUALTY FIELD

### Hayes Hartford Accident Auto Head at Chicago

William J. Hayes has been appointed superintendent of the automobile department of Hartford Accident in the western department at Chicago. Mr. Hayes has been with the company 16 years, joining it as a cancellation clerk when he was 17. He then transferred to the automobile department where he has been the past 13 years. He was assistant to E. A. Finn, manager of the department, 10 years.

Mr. Finn has now returned to the field at his own request and is operating in northern Illinois. Mr. Hayes has devoted his attention primarily to large brokerage accounts and the business of larger assured. His promotion was announced at a luncheon attended by 29 department heads, members of the automobile department, and executives of the western department. George H. Moloney, vice-president, presided, and Mr. Finn spoke.

### Keagy Leaves National Surety; Joins Seeley & Co.

Charles E. Keagy, manager of National Surety in San Francisco, with jurisdiction over northern California and Nevada for nine years and with the company for 20 years, has resigned to go with Seeley & Co., San Francisco general agency, as manager of the bond, burglary and inland marine departments. He started with National Surety in the burglary department, served as special agent, was promoted to associate manager in 1930 and manager in 1935.

Seeley & Co. are planning an expansion program. The agency recently took on Manufacturers Fire and Manufacturers Casualty. It also represents Sun Indemnity, State of Penn. and other companies.

### Voegtli Joins National Surety

In connection with the expansion of National Surety into the general casualty field, Oscar E. Voegtli, who has had 23 years experience in casualty underwriting, has been appointed district underwriter for the St. Louis territory under Manager E. A. Luther. He has been with Employers Mutual of Wisconsin for nine years as district superintendent for seven states.

### Frei Succeeds Pap at Chicago

Raymond J. Frei, an auditor for Hartford Accident who has been with the company six years in Chicago, has gone into the retrospective rating department of the company there. He takes over duties formerly performed by Joseph Pap, who recently went with Pennsylvania Casualty.

### Two Travelers Changes

Robert J. Godbout has been released from military service and reappointed casualty field assistant of Travelers in Chicago. J. Ralph Van Dwyne, Jr., casualty field assistant at Rochester, N. Y., has been transferred to the Newark branch in the same capacity.

### Callaway to San Francisco

Robert H. Callaway, at one time agency supervisor of American Automobile in Detroit and since earlier this year in Los Angeles, has been transferred to the San Francisco branch in the same capacity.

### Welch with Johnson, Overton

George Welch, for several years with McConnell, White & Terry, Birmingham local agency, has joined the Johnson, Overton & Co., general agency there, in charge of its casualty department. He formerly was special agent of National Surety. Johnson, Overton

& Co. now represents American Guarantee & Liability, Zurich affiliate. Mr. Welch recently spent several weeks at the U. S. head office in Chicago.

### Wiley Joins Local Agency

W. J. Wiley, special agent of Aetna Casualty, covering the coast counties south of San Francisco for several years, has joined the Halbert Harvard local agency at San Jose, Cal. He has

been with the company in various capacities for 21 years.

### West Named Denver Manager

Owen West, special agent of American Surety in Portland, Ore., who was president of the Surety Association of Portland, has been promoted to manager of the Denver branch. His successor has not as yet been announced.

### K. C. Group Hears Aviation Talk

At the December meeting of the Casualty & Surety Underwriters Association

of Kansas City, Mo., which was attended by about 50 members, Jules B. Guinotte, regional manager of Aero Insurance Underwriters, discussed the aviation business. President Cliff Johnston introduced Wm. J. McCord, who recently returned to Kansas City from Pittsburg as branch manager of American Automobile; Harold Montee, new Kansas City manager of Aero; F. Elmer Peine, assistant manager of Maryland Casualty, and W. E. Kline, regional manager of the Civil Aeronautic Association. The annual election will be held at the January meeting.



## CRIME also strikes without warning

Fingerprint files of the FBI contain records of 6,000,000 separate individuals arrested for criminal offenses. "Repeaters" or habitual criminals constitute 40 to 65 per cent of all criminals in the United States . . . Juvenile crime has been increasing steadily.

Like lightning, you can never know where or when crime may strike! Thousands of

crimes against property occur every day. For your protection we suggest you consult your Agent or Broker about the most modern forms of coverage against loss of Money, Securities and other property caused by Dishonesty, Burglary, Robbery, Forgery and any one of a dozen other similar crimes.

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**TO PRODUCERS:**  
This is one of a series of monthly messages in business and banking magazines addressed to your prospects.

Consult Your Agent or Broker

**AMERICAN SURETY COMPANY  
NEW YORK CASUALTY COMPANY**

100 Broadway, New York

BOTH COMPANIES WRITE FIDELITY, SURETY AND CASUALTY

# EDUCATION



There is much that is unsound in the "change companies" sales approach.

It is a challenge of the prospect's previous judgment.

Allstate growth is solidly built upon educational methods . . . not to switch companies . . . but to *insure*.

Because this is fundamental . . . not occasional . . . in our practice, Allstate is now rounding out its 13th consecutive year of increased premium volume.

## ALLSTATE

ALLSTATE INSURANCE CO.  
ALLSTATE FIRE INSURANCE CO.

HOME OFFICE: 20 N. WACKER DRIVE, CHICAGO

## FIDELITY AND SURETY

### Highway Program Is Advanced

WASHINGTON—Federal expenditures for road and highway construction to the tune of \$1.6 billion during three post war years are authorized in a bill passed by the House. The Senate had previously passed it, but differences in provisions necessitate reference to a joint conference committee.

As passed by the House the bill would authorize federal allotments of \$500 million annually for 3 years for road improvements, to be matched dollar for dollar by states which want their share of road building. The measure also authorizes \$173 million for roads in national parks, forests and Indian reservations.

The annual federal road fund would be allotted: Federal-aid highways \$225 million; secondary and feeder or farm market roads \$150 million; urban highways \$125 million.

The House struck out provision for aircraft landing strips adjoining highways.

### Big Appropriation Asked

Meanwhile, the President asked Congress for \$75,900,000 to be used by federal works agency as a planning fund to assist states and local communities in preparing plans and blue-prints for public works to be constructed during the post-war period. This program was authorized by Congress last summer in the reconversion act.

This money would be advanced to governmental authorities, to be repaid to FWA when construction operations are undertaken. It is estimated the \$75 million would help state and local governments plan for \$1.5 billions of public works.

FWA post-war estimates call for some \$3.5 billion public works construction by states, counties, cities and towns; state and federal highway projects costing \$1 billion; rivers and harbors improvements and flood control projects, \$500 million.

### New Maryland Casualty V-P Active in Surety Field

E. Kemp Cathcart, recently elected vice-president of Maryland Casualty, in charge of the bonding department, has been an active member of the surety committee of the American Bar Association and has spoken and written extensively on surety subjects.

He is a past chairman of the claim committee of the Surety Association of America and is a member of the industry committee of the Association of Casualty & Surety Executives. Mr. Cathcart was chairman of the open forum at the recent meeting of the International Association of Insurance Counsel, of which he is a member.

He graduated in law at the University of Maryland and is admitted to the bar in Maryland and Ohio. He has been with Maryland Casualty 27 years.



E. K. Cathcart

### Consider Portland Merger Plan

PORTLAND, ORE.—At the November meeting of the Surety Association of Portland a special committee named to work out plans for merging the association with the present Oregon Casualty Association outlined a proposal to invite the casualty group to consolidate under a joint name.

### Provide Riot Cover for B.B.B.

The Surety Association of America has promulgated an optional rider that deletes from brokers and bankers blanket bonds the exclusion of liability on account of loss due to riot and civil commotion. The charge is 5% of the computed annual premium, excluding the cost of such optional coverages as forgery, retroactive restoration, etc., with an annual minimum premium of \$10. The cost including the minimum is reduced by experience credit. The coverage may be provided in midterm by a pro-rata additional premium.

Riot and civil commotion in the United States is provided in Form 24, but it is not contained in Forms 2 and 8.

It is reliably reported that important changes in the direction of liberality of cover and rate concessions in the bankers blanket bond field will soon be announced.

### Certiorari Is Denied

WASHINGTON—The U. S. Supreme Court has denied petition for certiorari in No. 606, National Surety vs. United States.

## COMPENSATION

### O. K. Cal. Comp. Changes But Not Rate Increase

SAN FRANCISCO—While Commissioner Garrison has approved the changes in rules in the California compensation manual submitted by the California Inspection Rating Bureau, he has disapproved the proposed increase of approximately 7% in rates on some 350 classifications. The recommendation that he assume jurisdiction over compensation coverage on off-shore stevedoring operations, which created strong opposition at the public hearing Nov. 15, remains in the hands of the committee, which is seeking to solve this controversial subject without recourse to the courts or other means which may possibly develop litigation.

One of the most notable changes in the new manual will be placing department stores on the industrial rather than the occupational basis for the purpose of rate-making. The special committee which prepared the hundreds of changes, designed to simplify and clarify the manual, is now working on a complete change, placing all industries on the industrial basis.

### Missouri Compensation Rates Reduced 4.3%

JEFFERSON CITY, MO.—Superintendent Scheufler has approved revision in workmen's compensation insurance rates, effective Dec. 31 on new and renewal business.

The revision represents an average over-all reduction of 4.3% in the current rate level which, on the basis of the latest available premium writings for the state, will result in savings of approximately \$450,000. Of the 663 separate classifications of business involved, 574 will receive decreases in rate ranging from 1 cent to \$7.54; 60 increases in rate from 1 cent to .61; and 29, the prevailing rate.

The new rates average 22.4% less than those of 1940.

### Coal Mining Compensation Rates Are Reduced in Pa.

Commissioner Neel of Pennsylvania has approved an average reduction of 15% in coal mine workmen's compensa-

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tion insurance rates, effective Jan. 1. It is estimated the decrease in premiums will amount to approximately \$750,000.

The average reduction in rates for anthracite mining will be 14%; for bituminous mining, 16%; for surface mining, 18%; for culm recovery, 14%, and for coke burning, 7%. The new rates are approximately 35% below those in effect July 1, 1939. Rates for other classifications remain unchanged.

The occupational disease rate for bituminous mining was reduced 5 cents, and for anthracite mining was increased 10 cents. Experience rating was also approved for occupational disease.

### Wis. Bureau Fights Tax Levy

**MILWAUKEE** — The Wisconsin Compensation Rating & Inspection Bureau has appealed to Milwaukee county circuit court from a decision of the Milwaukee tax board of review refusing the bureau exemption from a \$9,000 personal property tax assessment made by the city. The exemption was refused by the city on the grounds that the bureau does not qualify as a public organization. The bureau contends that it is a public institution created by state law and supervised by the insurance commissioner, although it is supported by private companies writing workmen's compensation insurance.

### New Source of O. D. Claims

**BOSTON**—Beryllium silicate, used in making fluorescent lights, was declared a toxic and cause of pulmonary disease in several cases brought before the industrial accident board of Massachusetts. Four Peabody women and the husband of another woman who died, appeared before the board seeking maximum compensation payments of \$4,000 at the rate of \$10 per week. The women were employed at the Sylvania Electric Products Co. in Danvers. One of the young women said her physician had informed her there was no hope of saving her life.

The claims are being opposed by Arrow Mutual Liability, insurer for the Sylvania Company.

## PERSONALS

**John W. Downs** of Boston, legislative counsel in Massachusetts for the various insurance organizations, has been appointed commissioner of the Massachusetts Maritime Academy from which he graduated in 1908. Mr. Downs is president of the alumni association of the academy.

**J. F. Seinsheimer**, president of American Indemnity, arrived in Chicago Wednesday for a few days. He had been on the west coast and he will return to Galveston early next week.

**C. Edgar Blake**, secretary-treasurer of Hartford Steam Boiler, has completed 25 years with the organization. He joined the company in 1919 as assistant counsel, was elected assistant treasurer in 1926 and secretary in 1937.

## DEATHS

**Lt. Francis X. Malley, Jr.**, 22-year-old son of the vice-president of American Reinsurance, died in Abbington Memorial hospital from burns suffered in the Malley home at Middlebrook, Pa. Lt. Malley was a bombardier of a Super-Fortress.

**William H. Roberts**, 88, retired vice-president and director of Continental Casualty and Continental Assurance, died at Seattle following an illness of several weeks.

Mr. Roberts was actively associated with the Continental companies 22 years. He joined Continental Casualty in 1909 as auditor. Commissioned to control important financial interests and to organize the accounting system of this company, he was appointed treasurer in 1911. That year he played a major role

in establishing Continental Assurance, becoming financial head of the new company as well. He was issued the fourth policy of the new company, and it was the only one of the first four policies still in force at the time of his death.

Mr. Roberts became vice-president and director of the two companies, posts he held until his retirement from active service in 1931 at the age of 75. He then became honorary vice-president, remaining with the organization in an advisory capacity and as a director until 1937. He moved to Seattle a few years ago to make his home with his son, Wesley K. Roberts.

### Asks New Effort to Tax, Put State Fund Under Rate Law

Everette Hunt, in his report as secretary-counsel at the annual meeting of the Insurance Federation of New York, urged that the program of legislation affecting the State Compensation Fund that was introduced at the last session be brought up again at the forthcoming session of the legislature. One of the bills makes the state fund subject to the rate making provisions of the insurance law, another subjects the fund to a 2% premium tax and there is a third bill releasing from liability an employer

securing compensation insurance with a stock corporation.

Although these bills were not successful, Mr. Hunt said that the discussion that they aroused was helpful and that it would be well at this time to get the arguments in behalf of the legislation before the legislators, governor, commissioner of labor and Superintendent Dineen.

The state fund, in combating these bills, contended that they constitute an attempt by the insurance industry to take over the compensation business.

So many are held back by a fool theory that doing something is a matter of doing somebody.



## "Must I sign this preposterous document?"

As a young man Elizur Wright perceived that Life Insurance would be a great benefit to individuals and to the community if the operation of unsound companies could be prevented. For many years he fought for adoption of his Legal Reserve Bill by the General Assembly of Massachusetts. When at last in 1858 the Bill was adopted he took it to the Governor's office, barred the door, and persisted in his arguments until the Governor gave his approval, and signed the bill, making it a law.

Since he was the only man who understood the new law, he was appointed one of the Insurance Commissioners of Massachusetts, and administered this law brilliantly for eight years.

Hailed as the "Father of Life Insurance," Wright was also the father of insurance supervision; for he was the first government official who had the power, the knowledge and the will to prevent the operation of insolvent companies. Effective State supervision of insurance spread rapidly from Massachusetts to other states and became applicable not merely to Life Insurance, but to Fire and Marine Insurance, and later to the new branch known as Casualty Insurance.

Under this constructive influence insurance in this country has grown from small beginnings into a tremendous industry with forty-five billion dollars of assets, all available to assure the fulfillment of policy obligations.

A Comprehensive  Reinsurance Service

Casualty and Bonding Lines

**GENERAL REINSURANCE CORPORATION**

Fire and Allied Lines

**NORTH STAR REINSURANCE CORPORATION**

90 John Street, New York 7 • 200 Bush Street, San Francisco 4

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Casualty,  
Fidelity & Surety*

## ACCIDENT AND CASUALTY INSURANCE COMPANY

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United States Manager

Charles A. Barkie  
U. S. Assistant Manager

Mid-Western Department

INSURANCE EXCHANGE • HARRISON 8080

Hugh T. Millard, Manager

Harold T. Roos, Assistant Manager

## POST WAR PLANNING

Read the advice given by THOMAS CARLYLE

"Our main business is not to see what lies dimly  
at a distance, but to do what lies clearly at hand."

or the warning of an Australian chess master.

"Look around before you look ahead."

Make sure that your accounts are up to date, that your prospect lists are up to date and make sure that all your automobile policyholders carry Medical Reimbursement and that they have completed their personal legal liability protection by selling them NEW AMSTERDAM'S new, very broad COMPREHENSIVE PERSONAL LIABILITY POLICY.

**New Amsterdam**  
Casualty Company

BALTIMORE

NEW YORK

## \$1,750,000 Grain Elevator Fire

(CONTINUED FROM PAGE 7)

mainder of the tanks held principally soybeans, now priced at about \$2.25 a bushel. A lot of water entered the first tank during the fire fighting activities, and it was damaged seriously by the bulging and puffing of the elevator structure.

The preliminary estimate of loss to grain in the tanks is 20%. Salvage has been figured in this estimate but not on the grain in the elevator.

Some water entered all of the tanks but those on the north suffered most. They set about a foot below ground level and there is a trough excavation below that to accommodate the conveyor belts. Water also entered the tanks through the upper level conveyor openings.

Included in the loss is a substantial amount for charges, storage and in and out services already rendered by the elevator. In addition there is \$65,000 use and occupancy on the elevator, estimated total.

Across the tracks from the elevator is located the Vitality Mills plant, owned by Rosenbaum interests. There was less than 5% property damage, but a \$500,000 line of contingent U. & O. The preliminary estimate on the U. & O. loss is 33 1/3%. The mill has no other storage facilities, and the government currently has an embargo on grain shipments into terminal markets without a permit. Its entire supply of grain, of which it uses 23 varieties in the preparation of animal feeds, came from the elevator. Also it drew steam and compressed air from elevator facilities, via pipelines beneath the railroad tracks separating the two properties.

Underwriters Salvage is supervising salvage operations of the elevator, with John Stark of Mid-Continent Grain Company, Kansas City, expert in grain salvage, handling the work on the ground. Soybeans must be dried before they can be processed, which makes salvage a little more difficult than on wheat, corn and other grains, which can be shoveled into a car or truck and sold off to farmers or stockmen for feed, where it can't be returned expeditiously to normal trade channels. Underwriters Salvage began supervising grain salvage work three or four years ago, and recently handled the salvage at the Central Soya plant in Decatur, Ind., where there was a \$640,000 fire loss. One favorable factor in the Rosenbaum operations is the cold weather. There should be less spoilage than in the warmer seasons.

The Rosenbaum business was placed through Eliel & Loeb agency, Chicago, the Central Soya Company business through the Lupke & O'Brien agency at Ft. Wayne. In the Decatur, Ind., Central Soya loss the insurers were Home, Travelers, Aetna, Atlas, Orient, Yorkshire, Detroit F. & M., National, Automobile, Rhode Island, and Pearl.

Western Adjustment and Underwriters Adjusting are co-adjusters on the loss, with E. L. Powers and Leo Walsh representing Underwriters and R. M. Beatty and J. L. Sybrandt, Western.

A recapitulation of the insurance loss estimate shows roughly, \$1,117,000 on grain in the elevator, \$214,400 on grain in the tanks, \$200,000 on the elevator, \$50,000 on other property, \$65,000 elevator U. & O., and around \$150,000 U. & O. on the Vitality mill.

## Eagle Star to Reinsure Fire Lines

(CONTINUED FROM PAGE 7)

more than 90 days. By contract American will stand in the place of Eagle Star respecting all policies issued by Eagle Star's agents effective not later than Feb. 28, 1945.

The letter gives the agents notice

that their agreements and their authority to represent Eagle Star will terminate at noon, standard time, Feb. 28, 1945. All Eagle Star daily reports, endorsements, and authority to represent the company are to be sent through the usual channels. November and subsequent accounts current and all loss notices are to be mailed to American.

Mr. Casper urges agents to represent a company in the American group.

### Letter from President Sommers

Accompanying Mr. Casper's letter went a letter from President Paul B. Sommers of American stating that American "will extend to you their co-operation to the fullest possible extent to permit no interruption in your agency operation. The management of Eagle Star, in consummating this reinsurance agreement, insisted that arrangements be made to take care of your business without interruption."

Mr. Sommers' letter concludes with an invitation to Eagle Star agents to "call upon us for any assistance you may need in the proper handling of this business."

### Speculate on Implications

Decision of Eagle Star to withdraw from all but the marine field in this country has caused considerable speculation among fire insurance men generally as to whether it may not be the forerunner of similar moves on the part of companies which see themselves increasingly squeezed by higher loss ratios, heavier expenses, and rates being forced down by commissioners who feel that with the federal government threatening to invade their bailiwicks it is necessary to show beyond any doubt that state regulation is really regulating.

Employers Mutual Casualty of Des Moines has been admitted to Virginia with principal office in Richmond in charge of T. W. Harrison.

**ANCHOR**



**CASUALTY  
COMPANY**

ST. PAUL, MINNESOTA

*Anchoring Assures  
Smooth Sailing*

**AUTO - ACCIDENT  
BURGLARY  
LIABILITY  
PLATE GLASS  
COMPENSATION  
FIDELITY - SURETY**



## Focus on Federal Legislation Issue

(CONTINUED FROM PAGE 5)

sired some changes and one state not voting.

The upshot of the session was a resolution which was unanimously adopted. It was felt that owing to the necessities of the hour, and the short time before Congress adjourns, some action should be taken. The commissioners were encouraged by the fact that in the open meeting in the morning R. L. Hogg, manager and general counsel American Life Convention, asked permission to state that its executive committee had unanimously endorsed the commissioners' program. He was followed by L. A. Lincoln, president Metropolitan Life, speaking for the Life Insurance Association of America, he announcing that at its annual meeting last week it agreed to support the commissioners' recommendations. He said that the life companies had objected to most of the proposals because they would give full immunity from federal laws to the insurance companies. The commissioners proposed that the companies still be subjected to laws prohibiting boycott, intimidation and coercion. He said that the life people are willing to abide by the commissioners' recommendations for specific exemptions needed by the fire and casualty companies in their rating and cooperative activities.

### A. & H. Men on Band Wagon

H. R. Gordon, managing director Health & Accident Underwriters Conference, went to the rostrum to announce that its executive committee had voted to endorse the commissioners' plan. A. V. Gruhn, manager American Mutual Alliance, stated that that body desired to go on record as favoring the commissioners' recommendations. He said that he had definite approval of the Association of Mutual Casualty Companies and the mutual automobile companies but that the Federation of Mutual Fire Companies had not yet taken action but he was free to say that undoubtedly a similar step would be taken.

"If we are going to put our trust in regulation of the insurance business by the several states, we must likewise trust the judgment of the commissioners of the several states to lay down the solution for the problem," Mr. Gruhn said. He professed complete confidence in the commissioners "to preserve the business of insurance in this crisis."

The National Fraternal Congress had previously announced that it would back the commissioners in their attempt to preserve states rights. The following resolution was unanimously adopted by the entire body.

"Resolved that in view of the necessity for immediate action by Congress, N. R. Johnson, president National Association of Insurance Commissioners, be and he is hereby authorized and empowered to take such steps as in his judgment may be necessary to translate into legislative effect the 'Legislative proposals submitted to Congress by the executive committee of the National Association of Insurance Commissioners (November, 1944), or any changes therein not inconsistent with the basic principles thereof.'"

Much discussion was made as to how far President Johnson would be authorized to go beyond the proposals adopted by the commissioners.

### 41 States Represented

The first general session got under way with an invocation by Rev. S. M. Shoemaker, Jr., of Calvary Episcopal church, New York City. Mrs. J. Herbert Graves, wife of the Arkansas commissioner, sang the "Star Spangled Banner." The roll-call by Read of Oklahoma, N.A.I.C. secretary, showed 41 states, the District of Columbia and three Canadian provinces represented. Superintendent Dineen, whom Presi-

dent Johnson called "able, efficient, diligent, and cooperative," welcomed the convention to New York and offered the help of the New York department in any way that it could be of assistance. McCormack of Tennessee, N.A.I.C. vice-president, in his response referred to the very recent death of Superintendent Julian of Alabama, saying, "We have in our hearts a sorrow we cannot overcome." Referring to the

federal legislation problem, he said that he hoped that the conclusions that would be reached would be those of every state and the District of Columbia and every branch of the insurance business without exception "so that we can render the service to policyholders that they deserve."

### Congressmen Much Interested

President Johnson then brought the association up to date on what the executive committee had done since the meeting in Chicago Nov. 10-11. They reduced the proposal to pamphlet form and mailed it to every member of the

N.A.I.C. and of Congress. Letters and phone calls from members of Congress indicated the interest with which it was read, he said.

Members of Congress had previously been advised that they would be the first to be informed of any proposal, consequently Nov. 16 was set as the date for general release of the proposal. Mr. Johnson and Commissioner Harrington spent Nov. 15-17 in Washington seeing more than 20 members of Congress, including Senator Alben Barkley's steering committee. Senator Hatch had the declaration of principles, the press release, the text of the de-



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sired legislation, and the explanatory memorandum printed in the "Congressional Record" of Nov. 16.

"Contrary to rumors," he added, "we avoided discussing other proposals." Mr. Johnson said that he and Mr. Harrington had been charged with being very secretive about their visit to Washington but this was only because they felt they should tell their colleagues about it first.

"If this procedure was wrong, we stand guilty as charged," he said. He

promised a fuller statement in executive session.

Discussing committee assignments, he said there had been some complaints that some commissioners had been overworked and that some had had nothing to do. He said it had, therefore, been decided that no commissioner should be given more than three committee assignments and that each zone should be represented on each committee. It was felt that this would not only make for equity in distributing the

work but for wider representation. Two committees have been added: Automobile assigned risks, this being separate from the casualty committee as several members of the latter are not concerned with assigned risks; and a subcommittee on blanks to act as a coordinating link between the committee and the commissioners.

#### Asks Uniformity in Group Lines

Mr. Johnson suggested the need for uniformity of legislation affecting the various types of group insurance and hospitalization and suggested it be formulated by a subcommittee of the life committee. Also, he said, there should be more consistency among the states as to what lines various types of companies are permitted to write. He cited several extreme examples of states permitting companies to write classes that most other states would not allow them to write.

Mr. Johnson appointed as a resolutions committee to draw up resolutions on the death of Mr. Julian and on other matters the following: Bowles, Virginia, chairman; Gough of New Jersey, Hobbs of Kansas, Sullivan of Washington, and Read of Oklahoma.

Captain E. V. Rickenbacker, president and general manager of Eastern Air Lines, made a stirring and thought-provoking address at the luncheon sponsored by the New York insurance fraternity. He warned against needless duplication of air transport facilities and said that this country should get its fair share of the international air transport business. Much of his talk was a graphic eye-witness account of what the armed forces are doing overseas.

#### ATTENDANCE 802

Captain Rickenbacker referred in the course of his talk to two insurance executives who were present at the luncheon. He recalled that he had bought \$100,000 coverage on the Fokker F-32, a four-motored prototype plane, from Reed C. Chambers, now president of United States Aviation Underwriters, who in the last war was second in command of Captain Rickenbacker's 94th pursuit squadron. The Fokker crashed and burned. Captain Rickenbacker also mentioned having met in India Vice-president F. W. Ecker of Metropolitan Life, who was assisting E. R. Stettinius in the administration of lend-lease.

Attendance at the luncheon was 802, a new record. Mr. Dineen, who was toastmaster, acknowledged the services of Albert N. Butler, vice-president of Corroon & Reynolds, who was in charge of the luncheon, and Orville Davies, vice-president of General Exchange, in getting Captain Rickenbacker as the speaker.

The federal legislation committee held a very brief session, as the matter had gone far beyond the stage for committee conference. However, it heard an appeal from W. W. Clement, executive director of Risk Research Institute, insurance buyers' organization, who urged that legislation be sought from Congress asking for a moratorium on federal laws applying to insurance

for a period of not more than two years and that an impartial commission be designated to study the entire matter and evolve a better law than could possibly be enacted on short notice. The committee listened courteously but it was obvious that the suggestion was not going to affect the course that had been decided on.

#### Ponder I.U.B. Operations

The interstate rating committee, headed by Forbes of Michigan, devoted its entire session to an inquiry into whether the Interstate Underwriters Board is operating in accordance with the plan outlined by former Commissioner Livingston of Michigan in 1928 and approved by the commissioners' organization. Joseph F. Collins, chief of the New York department rating bureau, said that the department's examination showed the original plan was not being followed.

A representative of the California department said the so-called Caminetti report showed the same thing.

What seemed to bother Mr. Forbes most was that it looked as if the commissioners' organization in 1928 had endorsed one course and the I.U.B. had followed a different one. Manager John R. Dumont of the I.U.B. recalled that at the June, 1929, convention he had told the fire and marine committee that after the various committees on the I.U.B. had gone over the proposal of 1928 the working committee had made several changes.

One was to reduce the number of proposed forms from eight to four, and this has since been cut to two. The only other suggested change was the 20% factor to take care of short rate cancellations. He suggested to the committee three different plans for rating. Two of these, he said, were so "modern" that the committee threw up its hands, the third was adopted and has never been changed.

#### Publishing Cost Prohibitive

The reason that the original plan of having the I.U.B. put out advisory rates to rating organizations was never followed was that on risks with perhaps thousands of locations the expense of publishing locations by street addresses would have been prohibitive. He said it should be borne in mind that the original proposal endorsed by the commissioners was not a detailed, finished plan but was in general terms. He emphasized that every change in the I.U.B. constitution or by-laws or anything else was immediately told to all insurance commissioners and that as for not getting the association's approval for them, it would have been without significance, since the association has no power to bind any state.

#### JUDGMENT RATES

Vice-president John R. Barry of Corroon & Reynolds made a vigorous appeal for a realistic view of the interstate rating problem. He said that Corroon & Reynolds, while not a member of the I.U.B. was a pioneer in developing interstate business and that "whether rates are made by me or the I.U.B., they're judgment rates," that there is no technical way to size up a situation, and that the aim is to set a rate adequate to cover losses and provide a small profit and low enough to be satisfactory to the insured. He said the record shows that competition has held profits on interstate business down to 5 or 6%.

#### Countersignature Laws

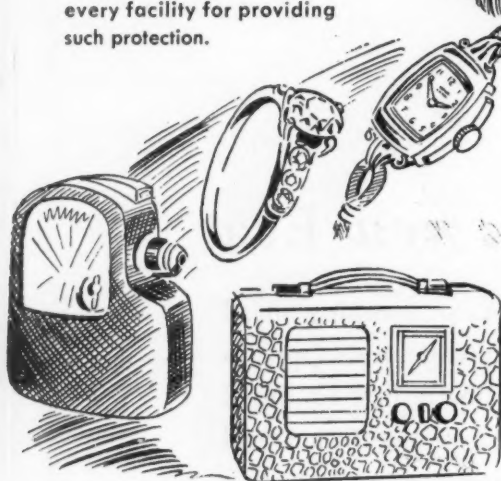
Two questions always come up he said: First, taxes, the regulated states wanting theirs based on tariff rates, which leaves too little for the other states; second, countersignature laws. This has been declared invalid in Idaho and it appears that interstate rating ties right in with federal legislation.

"I respectfully suggest," said Mr. Barry, "that interstate business will be written in the future as it has been in the past—maybe improved on. The in-

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Mr. Barry said he had no solution to offer but that the whole matter boiled down to one thing and that was taxes. As to the importance of observing filed rates in New York, which Mr. Collins mentioned, Mr. Barry agreed but said that "we're in competition with carriers that are not bound by New York."

#### Multiple Coverages

The committee on multiple coverages, of which Harrington of Massachusetts and President John A. Diemand of North America are co-chairmen, held a brief meeting devoted to simplifying and broadening the various classifications of insurance outside the life field. Mr. Diemand had a large sheet listing all the lines of personal insurance and said that one risk could involve 45 or 50 classifications.

If there is substantial uniformity rather than wide variety among the states as to the data to be filed the expense would be much reduced, it was brought out.

W. D. Winter, president of Atlantic Mutual, said that lines of demarcation between classes should be broad rather than narrow, otherwise the purpose of multiple coverages, which is to decrease expense, would be defeated.

#### ASSIGNED RISKS

The automobile assigned risk committee, a new committee, confined its discussion to the proposal for a special classification for disabled drivers rather than lumping them in with those assigned because of accidents, conviction records, or as bad moral risks. A. E. Spottke, manager automobile department of the National Bureau, said that if the present plan of the companies goes through, there will be no need of a special classification, since all disabled drivers will be underwritten by the companies as if normal, hence the only disabled drivers in the plans would be those assigned for the same reasons that non-disabled drivers were assigned and there would be no reason to make a special class of these disabled drivers. Parkinson of Illinois is chairman of this committee.

The fire insurance committee was assigned the duty of reviewing the uniform definition of marine writing powers. The committee on interpretation and complaint consist of six fire, six marine and two casualty officials. Inasmuch as there is pressure now for all-embracing contracts the casualty companies are asking that there be six of their group on the committee.

The definition has not been changed since the agreement was adopted a few years ago. The agreement is among the companies. The pact binds companies signing the agreement to hold to it and remote control is exercised over non-signers. The commissioners themselves do not have full supervision over the committee. The agreement provides that top executives of companies or prominent general agents and managers be on the committee. The Interstate Underwriters Board, for instance, appoints the fire members. Complaint was made that some business is going to London Lloyds largely because the New York laws are inadequate and yet the state attempts to keep the companies in strait jackets.

Harrington of Massachusetts said that the commissioners have tried to bring about uniform coverage. Some states are more liberal in their laws as to multiple coverages than others. He stated that it is time that a reexamination be made of agreements the commissions have with branches of the industry. Now they are self supervisors.

He thinks the commissioners should have more authority. He said that if material changes are made in the agreement, the commissioners have nothing to say about it. He contended that a study should be made of the breadth of authority of those carrying on the work. He and others doubted the advisability of continuing part of the pact inasmuch as signers are bound to adhere to the provisions and yet remote control is exercised on nonsubscribers.

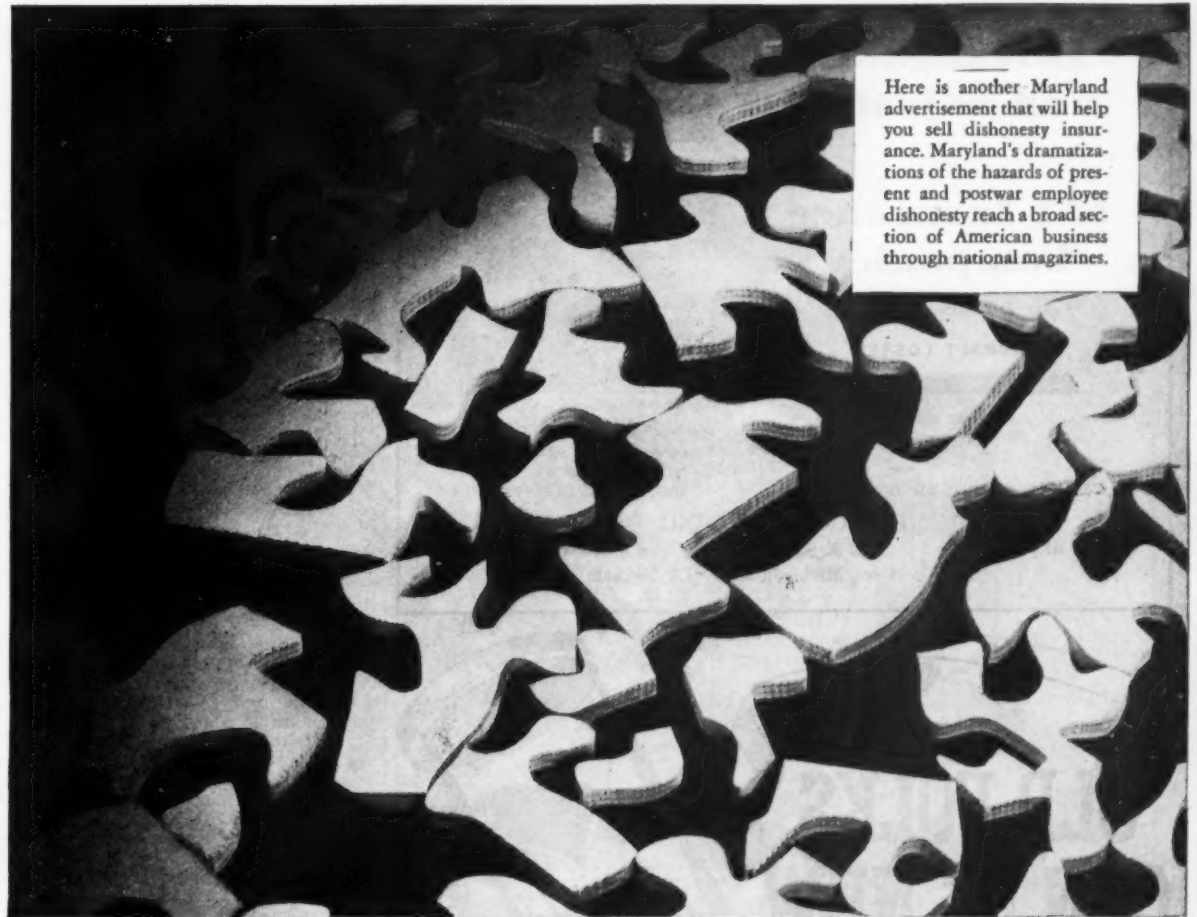
It was declared that some interpretations of the agreement that had been

made might be regarded as in restraint of trade. Harrington stated that there should not be any control of outsiders. The agreement, he said, should be brought into harmony with present day laws and the probable restraints that will follow the U. S. Supreme Court decision. He declared that there would be doubt about the powers of the commissioners and even the signers until Congress passes legislation clarifying the situation. He said that little can be considered at present in view of this situation.

In referring to proposed legislation Harrington called attention to the fact that the commissioners are in full harmony among themselves as to what should be done. He said that there is need for immediate action as the present session of Congress will soon end. He deplored the fact that there is not harmony among the different groups of the industry. Some oppose certain proposals made in the commissioners' recommendations.

B. M. Culver, president America Fore, who is on the fire end of the

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committee, said that many changes have taken place since the agreement was adopted. Modifications and amendments are necessary to bring the agreement up to date and in compliance with changed conditions. He said that changes are necessary if the companies are to serve the public as they should. He said the companies should be told what they can do as well as what they cannot do. He criticized the placing of the appointing power of the fire companies in I.U.B. Mr. Culver said that the agreement has been in effect 12 years. There have been only three appeals from the decision of the committee but they have heard 1,500 cases.

It was brought out that the definition and agreement can only be used in states that have adopted them. One of the speakers said that there is no unanimity in the industry itself as to the amplification that is proposed. The future, it was held, depends on what Congress will do. One speaker brought up the question as to whether the commissioners should not step in when some action is taken that will curtail policies. He said, for instance, that the Massachusetts standard form is more advantageous to holders than the new New York form. One speaker said that six New England states have their own legal standard policies. He also stated that the personal property floater has been approved in all but four states. He observed that no statutory change had been made yet the personal property floater had been adopted.

Scheufler of Missouri in commenting on the committee on interpretation and complaint said there should be a consolidated program in the interests of the public.

Establishment of procedure for handling oil production loans made by life companies was discussed at a meeting of the valuation committee with Dineen, New York, chairman, presiding. Mr. Dineen said such loans were a virgin field for the companies, but several of the larger companies had already entered the field. The New York department sent representatives to Texas and Oklahoma to explore the situation there. A comprehensive report on the subject was made by L. A. Griffin, secretary of the committee, and read by Mr. Dineen.

The loans are secured by first mortgages on oil in the ground and other assets and are liquidated as the oil is brought to the surface, Mr. Griffin said in his report. They are sound because proration has brought order out of chaos in production and oil itself as a commodity has an important part in modern life. The price is subject to OPA regulation.

Mr. Dineen said machinery had been pretty well set up and there was agreement on basic facts on the subject.

#### A. & H. Meeting

The accident and health committee meeting had a heavy agenda and drew a large attendance. Garrison, California, presided, with discussion on various subjects being led by Fraizer, Nebraska; Parkinson, Illinois; Knowlton, New Hampshire; Erickson, North Dakota, and Guertin, New Jersey.

Most of the discussion centered on the question of how far the commissioners should go in requiring the accident and health companies to break down their loss experience by classes. Comment from company representatives indicated that greatly detailed experience would put a heavy burden on manpower and tabulating equipment. The commissioners desired detailed experience

because it was felt some companies were making too much of a profit on some lines, many writing restricted policies having a "ridiculously low loss ratio" according to one commissioner.

Another commissioner said the insured with some \$1 a month policies found he was entitled to 20 cents a day when he got in the hospital. Harold Gordon, Health & Accident Underwriters Conference, said it would probably be possible for the conference to get an analysis of the major lines. A speaker suggested that the committee study the figures which are being prepared by Professor Blanchard of Columbia University.

A life insurance speaker said it would be a burden for the life companies to break down their group experience.

Parkinson, Illinois, said the Health & Accident Underwriters Conference had adopted a uniform, abbreviated claim blank which is a great improvement and shows much progress. His subcommittee recommended its endorsement and approval to the full committee, he asserted.

Reporting on the official guide for the filing and approval of accident and health contracts, Mr. Parkinson said the committee would meet in March or April and prepare a report at that time.

#### Misleading Names

After discussion and a report by Fraizer, Nebraska, investigating the use of misleading names for companies and policy forms which tended to give them the seal of approval from state or federal authorities, Mr. Garrison said the committee would recommend the discouragement of the use of such names. Mr. Fraizer cited sections from several state laws prohibiting misleading practices along these lines and the 1926 federal statute prohibiting the use of the words "federal," "United States" and "reserve" as part of a business name for concerns organized after that date.

He said existence of authority to terminate objectionable particulars in these respects would not involve or impair the right of an insurer to establish and maintain a special department in its home office for the sale and servicing of certain policies, nor was there seemingly prohibition against departmentalization by groups or policies bearing such names as business man's, farmer's, government employees, teachers, etc. division or department. The company name should be prominently displayed on policy and literature wherever reference to such division or department is made.

No need was found for a definition of wholesale accident and health and no action was taken on the question of preparing a definition.

A model bill for uniform group accident and health laws has been prepared by the Health & Accident Underwriters Conference and no action was taken on the subject by the committee.

#### Dispose of Alien Funds

COLUMBUS — The Ohio superintendent has been granted authority by the courts to turn over to the New York department property and securities belonging to Sumitomo Marine & Fire which have been held by the Ohio department. The superintendent also has been granted permission to turn over to the U. S. alien property custodian property and securities which had been deposited with the Ohio department by General of Italy.

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## Insurers Taking Care of Disabled Veterans Who Drive, Commissioners Find

NEW YORK—A joint meeting of the casualty and surety committee of the National Association of Insurance Commissioners, of which Bowles of Virginia is chairman, and the automobile assigned risk committee, of which Parkinson of Illinois is chairman, was held here Tuesday morning, presided over by Gibbs of Texas.

It was brought out that there are numerous people who have been injured or disabled but who are competent to drive cars because they have every other qualification that is necessary. The issue comes to the front because service men returning disabled from the war desire to get licenses. It was the conclusion that the companies had already taken cognizance of the condition and were willing to license applicants whose only defect was some disability. A. E. Spottke of the National Bureau of Casualty & Surety Underwriters said that his companies were taking such risks at the regular rate with no penalty or surcharge.

A. V. Gruhn, American Mutual Alliance, announced that his companies had adopted a similar policy. So far there has been no complaint about discrimination. The commissioners undoubtedly will take the subject up with their own companies in the effort to have such applicants secure a license without difficulty. If ultimately the claim ratio is higher it may be that a special class rate will be adopted. There are now 20 states having assigned risk plans. The officials felt that if the companies would voluntarily accept such risks, it would be far more satisfactory than to bring them the assigned risk plans into play.

### Paul Terry Now General Manager

ST. LOUIS—Paul W. Terry has been given the title of general manager of the Missouri Inspection Bureau, and will continue as the chief executive officer. He has named Willard C. Anderson manager of the bureau. Mr. Anderson will continue to have supervision of the St. Louis city department and other duties which he had as assistant

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manager. Leonard S. Poor continues as assistant manager with the same duties and responsibilities.

### Calship Case to High Court

WASHINGTON — California Shipbuilding Corp. has petitioned the Supreme Court for writ of certiorari to review the action of the California supreme court in denying the company's petition for a hearing on the latter's effort to secure annulment of an award by the California industrial accident commission in favor of Belle Rebecca Gaddis for alleged serious and wilful misconduct by the company in connection with the death of her husband, an employee.

The company tells the Supreme Court that on July 31, 1944, a remittitur was issued by the California district court of appeals after advice of the state supreme court's ruling denying the hearing, although the remittitur was dated July 29. The company says it has exhausted its remedy in California courts of last resort. It says it was deprived of due process of law in the industrial accident commission's decision and in proceedings before the district court of appeal.

After obtaining the statutory death benefit for death of her husband, Mrs. Gaddis applied for and was granted \$2,500 upward adjustment of claim. The present case is based upon action on that claim. The company contends that reports and memorandum before the commission were inadequate, and that it did not review the record.

### Name Mutual Committees

George E. Phelan of New York, president of the National Association of Mutual Insurance Agents, has announced the appointment of committees. The executive committee consists of George D. Ratliff, Jackson, Miss.; John H. Kroll, Washington; W. Harold Howatt, Springfield, Mass.; Russell Davis, Columbus, O.; Joseph E. Magnus, Chicago; J. C. McGee, Jackson, Miss.; W. Emmert Swigart, Huntingdon, Pa.; Chester C. Jennings, Baltimore; Fred Reuning, Bristol, Va.; J. M. Zachary, Greenville, S. C.; and Chas. M. Boteler, Washington. Chairman committee on agency qualification law is Lawrence Murray, Columbus, Ga.; company relations, Bryson F. Thompson, New Haven; advisory committee on agency management, Mr. Swigart; automobile finance, John R. Chappell, Jr., Richmond; by-laws, James F. Minor, Charlottesville, Va.; resolutions, George F. Jones, Charlotte, N. C.; legislative, Floyd H. Craft, Greensboro, N. C.; membership, T. F. McManus, Buffalo.

### Chicago Managers Party Dec. 15

The Association of Casualty & Surety Managers of Chicago will hold its annual Christmas party Dec. 15 in the Union League Club. There will be cocktails, dinner, bridge and prizes.

### Johnson Des Moines President

L. J. Myklebust, Northern Life, has resigned as president of the Des Moines Association of Accident & Health Underwriters and is succeeded by R. W. Johnson, vice-president.

Lyford W. Warfield, Travelers, was named to serve as vice-president for the rest of the year.

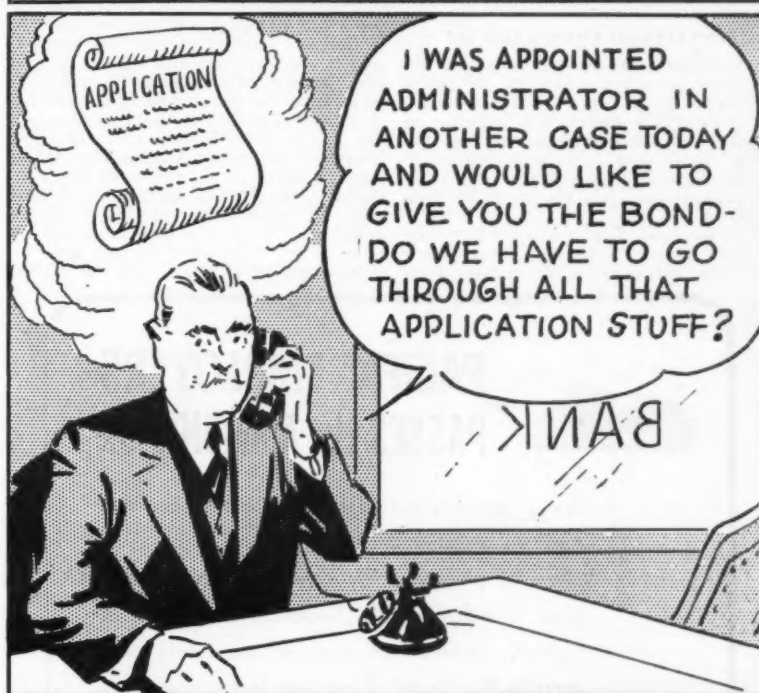
### Appointed by North River

The Baur, Christensen & Valentine agency of Chicago has been appointed metropolitan supervising agent in Chicago and Cook county by North River of the Crum & Forster group.

Charles S. Powell, 75, who served as vice-president and general manager of the old Brotherhood Accident of Boston, died. He had retired 20 years ago.

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## Seek to Meet Private Bond Needs

(CONTINUED FROM PAGE 19)

of capitalizing on this potential market for bonds, despite the obvious difficulties which are faced. It is recognized that the present 1% rate is too high to interest residential builders but on the other hand bickering over costs of changes in original plans after construction has started has made surety men wary.

The possibilities of a blanket bond for all work done by a residential contractor has been suggested. Only reliable con-

tractors who charge adequate prices be eligible and the bond could be used by the contractor to advantage in justifying his price as compared to those of cut-raters.

As the majority of homes are built by persons of modest means they have to watch every penny and cut every possible corner. It is difficult to get them to assume the direct cost of a bond but if it was absorbed as part of the contract, as it would if the contractor had a bond for all work, the builder would pay his share of the premium as an indirect cost. At the same time dealing with a bonded contractor would have a definite appeal as the new home builder is usually fretful over the red tape involved and he is fearful that in dealing

with a cut-rate contractor that some difficulty may arise and he will be called on to put up more money which he hasn't got.

Many new home builders forego the services of an architect because of the cost and they have to rely entirely on the honesty, reliability and skill of the contractor. One advantage of the Federal Housing Administration loans, from the borrower's standpoint, is that plans for the home have to be approved and FHA inspectors check the building before the contractor receives final payment. Although the actual value of the FHA inspections may be questioned, the fact that such service is offered raises the question in the builder's mind whether a contract bond is necessary.

### Should Be Performance Bond

Some surety men feel that although the home builder would welcome a completion bond that from an underwriting standpoint it should be strictly a performance bond, guaranteeing that the contractor would do the work to the extent for which he is paid. A completion bond would tend to put the surety in the loan guarantee field.

Regardless of the difficulties faced in providing and selling bonds on private construction, the talk about millions of new homes after the war makes many progressive surety men feel that every possible effort should be made to devise a plan by which their services can be utilized.

### Two Minutes to Go with Ball on the 40-Yard Line

(CONTINUED FROM PAGE 5)

The Walter bill have relied to call it up in the senate, was still absent. He will not return before next week.

From N.A.I.C. sources came a report that Senator Bailey, co-author of the states rights bill, favored substituting the N.A.I.C. draft for the other measure, with the prospect for speedy enactment.

However, "I have not stated my position," Bailey told THE NATIONAL UNDERWRITER, "nor have I given any one else authority to state my position."

Sources close to Bailey took the view that it would be useless, or worse, to attempt to secure insurance legislation when groups seeking action by Congress are as opposed to each other in their ideas of what kind of legislation should be passed as are supporters and opponents of insurance legislation fighting each other. They say the insurance executives want one thing, state commissioners another, and life, perhaps, a third.

Congress has a full calendar, the sources referred to pointed out, including measures dealing with social security tax, war powers, rivers and harbors, flood control, crop insurance, St. Lawrence seaway, general appropriations, federal highway construction, constitutional amendment. The members, who hoped to recess by Dec. 10, now look

forward to Dec. 15, but the session may continue until about Dec. 20.

Even so, these sources see little likelihood that controversial insurance legislation could be passed by this Congress. The only chance they see for passage would be in case of complete agreement on a compromise bill. Without such, they foresee senate rejection of the Walter bill, unamended, if attempt were made to put it through.

That outcome, they point out, would give insurance legislation a black eye for the future. The precedent of rejection would have been established. And members and observers of Congress know how difficult it is to overcome such a precedent.

Even if legislation were passed at this session, sources close to Bailey believe it would be vetoed by the President on advice of Attorney General Biddle. So they ask: What's the use?

There is great pressure being brought on the organized stock fire and casualty organizations to support the commissioners bill. They did not express themselves at any of the meetings. However, prominent leaders in both organizations are here and it is stated that there may be some compromise by having a few changes made in the commissioners proposal.

### \$75,000 Ky. Theater Fire

COVINGTON, KY.—Fire, which had been burning for three hours before discovery, completely destroyed the interior of the Madison Theater here. The fire was discovered by a taxi driver at 3 a.m. A few minutes after firemen brought hose lines into the balcony to fight the flames, the roof of the building collapsed. The fire damage is about \$75,000.

Fire and extended coverage policies in effect amount to \$64,000 placed in six companies. The largest policy for \$30,000 is with Mutual Fire of Covington. Business interruption insurance of \$60,000 is written in the Fireman's Fund. J. H. Dressman Agency is reported to have placed most of the line. Part of the coverage was also written by the J. Al Steltenkamp Agency.

Western Adjustment Company is handling the loss. Brick walls separating the theater from adjoining properties prevented its spread. The fire apparently was caused by a cigarette carelessly dropped on a sofa in the lobby of the mezzanine floor. The fire spread through space between the partitions to the roof. Smoking was permitted during performances.

### Instructors' Conference Scheduled

MEMPHIS—The annual fire department instructors conference, sponsored by the fire prevention department of the Western Actuarial Bureau, and the Memphis fire department, will be held here Jan. 9-12. On Jan. 8 the firemen's training committee of the National Fire Protection Association will hold a meeting here.



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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Cleveland School Loss, Replacement Fund Clarified

A question has been raised recently about the accuracy of an article that appeared in THE NATIONAL UNDERWRITER of June 22 in connection with a fire at Dunham elementary school in Cleveland and the effect of that loss upon the so-called replacement fund of the Cleveland school board.

It was stated in that article that the fire loss was estimated at \$100,000 to \$150,000 and that there was about \$50,000 available in the Cleveland school board fund at that time. Actually on May 31, just prior to the fire the fund stood at \$58,461. The statement that the fund was close to \$500,000 in 1933 was not exactly accurate as the fund exceeded \$400,000 but was closer to that figure than \$500,000.

#### Called "Replacement" Fund

The article was somewhat misleading in referring to the fund as a "self-insurance fund." Actually it is a "replacement fund," designed primarily to take care of losses by fire, accident, storm or general breakdown but applicable to boilers which break down or buildings which might be condemned, etc. Thus the fund may be used for replacements beyond catastrophes.

In 1933 the fund had grown to more than \$400,000 but in that year the board of education was in danger of defaulting on its bond interest because of reduced income, etc. Accordingly it applied to the common pleas court for permission to divert some of the replacement fund to pay such interest and the court granted permission. It was felt then that the \$400,000 was far more than enough to cover any normal fire losses.

Following this transfer of funds there were three or four years in which income was down and the \$25,000 usually paid into the fund was not paid in. That payment was resumed in 1937 but replacement needs were taken out from time to time with the result that when the Dunham fire occurred there was only the \$58,461 as of May 31 in the fund. Although first estimates of damage were \$100,000 to \$150,000 the board found that it was able to do a good job of restoration and remodeling for slightly more than \$60,000. To make up the deficit in the replacement fund, money was transferred from the general fund.

Since that time the replacement fund has been built up until it is about \$50,000 today and it is felt that it should be increased to a safer level to take care of normal contingencies.

In the past 20 years the Cleveland school system has suffered only two substantial fires—Kinsman school and Dunham school—of about \$60,000 to \$70,000 each and the board feels that it is money ahead through pursuing the self-insurance policy.

### Association Agency Buys Non-W.U.A. Firm

The Louis F. Fuelbier & Co. agency of Quincy, Ill., has been purchased by the Miller, Castle & Freiburg agency, which is one of the largest in Illinois outside of Chicago. Mr. Fuelbier died Nov. 20.

This sale would have been very difficult if not impossible had the Western Underwriters Association the other day not abrogated its so-called separation rule. The Fuelbier agency represented exclusively Western Insurance Bureau

and non-association companies whereas Miller, Castle & Freiburg have represented exclusively W.U.A. companies. Miller, Castle & Freiburg are able under the absence of separation rule to represent non-W.U.A. companies and it is understood that they are taking on among others Dubuque F. & M., Pacific National, Republic and Halifax that were in the Fuelbier agency.

Miller, Castle & Freiburg, who have been representing U. S. F. & G. as general agents, now become general agents also for Zurich, which was Mr. Fuelbier's main casualty connection.

### Mich. Association to Have Legislative Service

LANSING, MICH.—The Michigan Association of Insurance Agents is preparing a legislative directory for its members and will also provide a bulletin service during session starting Jan. 3.

W. D. Hildebrand, secretary-manager, says that anticipated congressional action relating to the control of the business in the light of the Supreme Court opinion holding insurance interstate commerce "will surely affect certain Michigan laws." He suggests that in-or-out rules may be dangerous.

Probable subjects for state legislation include a new Michigan standard fire policy, workmen's compensation amendments, with possibility of efforts to create a monopolistic fund; possible creation of an automobile rating bureau, premium taxes on Michigan as well as non-resident companies as recently suggested by Commissioner Forbes, and extension of the qualification laws.

Clyde B. Smith, Lansing, former president N.A.I.A., has again become chairman of the law and legislation committee after a brief hiatus.

### Minn. Agents Go to Bat for Licensing Program

MINNEAPOLIS — Any attempt in the legislature to outlaw Commissioner Johnson's agents' licensing program will be resisted by the Minnesota Association of Insurance Agents which for several years has led the fight for such examinations.

"The greatest service which any of us can do for the cause of higher standards for agency representation is to immediately take the license examinations and urge others to do likewise," says an association bulletin to members. "The best defense against possible attacks in the legislature on the commissioner's examination ruling will be the large numbers of those who have willingly complied and qualified. All those who favor higher standards for our business should submit themselves to examination before Jan. 1. In addition, every member should advise his representatives in the legislature to resist any attempt to outlaw the program."

### Turkey Questionnaire in Minn.

MINNEAPOLIS — Local agents throughout the turkey raising region of southern Minnesota have been sent a questionnaire by Howard Williams, president of the Minnesota Association of Insurance Agents, to get their ideas on what sort of turkey coverage is most desirable for Minnesota. When the responses are all in President Williams will analyze them and report the finding to company representatives.

The Minnesota association officers continue to confer with company men in the hope of working out a more satisfactory stock company market on turkeys than now prevails. This year has

been highly favorable for companies operating in this territory, with the loss ratio of some companies the lowest in many years.

### Dinner for Mich. President

LANSING, MICH.—Carl F. Trager, president of the Michigan Association of Insurance Agents and a veteran Lansing agent, is to be honored at a testimonial dinner Dec. 11. An attendance of from 75 to 100 persons is expected, including other state association officers and representatives of companies for which Mr. Trager is agent.

He has been active in the state association for many years. He served on the executive committee as far back as 15 years ago and has held various other offices in the Association. Ralph Goodell of the Dyer-Jenison-Barry-Lansing Insurance Agency here will be toastmaster at the dinner.

### Reorganize in Benton Harbor

BENTON HARBOR, MICH.—W. O. Hildebrand, secretary-manager of the Michigan Association of Insurance Agents, and Lloyd Krueger, Niles, district committeeman, attended a reorganization meeting of the Benton Harbor-St. Joseph Association of Insurance Agents. Another meeting for election of new officers will be held Dec. 15.

Mr. Hildebrand advised agents to push fire prevention activities and work with banks on financed accounts, explaining the state association's new financed accounts committee.

### Agency Now LaMair & Mulock

DES MOINES—The Hopkins & Mulock agency has changed its name to LaMair & Mulock, following the withdrawal of B. C. Hopkins to form his own agency. George A. LaMair, formerly vice-president, is acting head of the agency until the corporation meets in January to elect officers.

He has been in the insurance business since 1923 and is now in his seventh year with the agency. Previously he was with Central Surety, Royal Indemnity and U. S. F. & G.

### Bachman Insurance Club Speaker

MINNEAPOLIS — P. L. Bachman, past president of the Insurance Buyers Association of Minnesota, will discuss "Insurance from the Other Side of the Desk" at a meeting of the Insurance Club of Minneapolis Dec. 18. He is in the insurance department of General Mills. Membership of the club is now the highest in 15 years, the total being 157, an increase of 16 since Sept. 1.

### Award Essay Contest Prizes

LINCOLN, NEB.—Three winners in the accident prevention essay contest among high school students were awarded war bond prizes by the Lincoln Association of Insurance Agents at the monthly luncheon.

The contest was held in cooperation with the Nebraska Association of Insurance Agents. Essays in the local contest are also eligible for the state contest, which will be decided later.

### Wilkinson to Mo. Senate

Frank L. Wilkinson, owner of the Shryock agency at Kansas City, was elected to the Missouri senate.

### Hopkins' Sons at Agency Opening

DES MOINES—The two sons of B. C. Hopkins, veteran Des Moines agent, arrived home in time to attend the opening of the Hopkins agency. Both will be associated with their father in the agency after the war.

Lt. W. V. Hopkins is on leave from the Aleutians and B. W. Hopkins re-

ceived a furlough from his army post in California.

### Schick Is Niles President

NILES, MICH.—Harry C. Schick has been elected president of the Niles Association of Insurance Agents, succeeding F. W. Richter, Jr. Vice-president is Leland R. Funk; secretary-treasurer, J. C. Morden.

W. O. Hildebrand, secretary-manager of the Michigan association, discussed the new state association committees on financed accounts and aviation and outlined legislative prospects.

### K. C. Election Dec. 19

The Kansas City Insurance Agents Association will hold its annual meeting Dec. 19. This is the annual election of officers for the coming year. President Harry M. Gambrel has appointed Frank McGee chairman of the nominating committee. Recent Western Underwriters Association rule changes will be discussed.

### Ohio Mutuals Meet Feb. 20-21

The annual meeting of the Ohio Federation of Mutual Insurance Associations will be held in Columbus Feb. 20-21. Officers of the association met in Columbus this week to plan the program.

### Western Adjustment Move at K. C.

The Kansas City office of Western Adjustment is moving from the Board of Trade building to larger quarters in the Sharp building. Ben Butler is manager.

## NEWS BRIEFS

Peter F. Bezanson became vice-president of the Weston D. Ralston agency, Cedar Rapids, Ia.

Judge Frank F. Wheeler, local agent at Muscoda, Wis., has just observed his 93rd birthday.

C. L. Dempster of Lake City, Minn., who at 91 has ranked as one of the oldest active insurance men in Minnesota, has sold his agency to G. H. Lange. He started the agency 59 years ago.

C. C. Shively, president of the State Industrial Bank of Columbus, spoke on insurance and automobile finance at the meeting of the Mutual Insurance Club of Columbus Monday.

The Insurance Agents Association of St. Paul will be host to the St. Paul Association of Insurance Women at the meeting Dec. 13.

## SOUTH

### Tenn. Department Report Exhaustive

The annual report of the Tennessee department, which has just been issued, is a remarkably detailed document. It consists of 296 pages and presents a number of features that are not found in the insurance department reports of other states. In the introduction Commissioner McCormack, who is vice-president of the National Association of Insurance Commissioners devotes much attention to the federal legislation issue and incorporates the recommendations of the commissioners' association. There is included a description of the securities deposited by every self insurer for workmen's compensation. There are reproduced the official bulletins and rulings of the department, there are tables showing the names and location of all insurance companies that have operated in Tennessee in the past and which have

failed, liquidated, retired from the state or changed name.

There is a wealth of statistics. In addition to the usual tables there is an analysis of the assets and liabilities of all insurance companies. The experience exhibits are finely subdivided. There are tables showing total Tennessee premiums and losses of the various types of companies for each year from 1900 to 1943 inclusive.

In 1943 the fire and marine premiums were \$16,036,141, claims paid \$6,389,206, loss ratio 39.86; life premiums \$53,554,266, claims paid \$15,463,153; casualty premiums \$21,484,907, claims paid \$7,692,264, loss ratio 35.8 and fraternal premiums \$1,215,309, claims paid \$748,180. The total premiums were \$92,290,623 and claims paid \$30,292,803.

### Fete Miss. Leader, 50 Years Head of Own Agency

More than 300 local agents, company executives, business and professional men and Delta planters attended the banquet of J. H. Johnson & Co., Clarksdale, Miss., in honor of "Colonel Jim" Johnson on his fiftieth anniversary in the business.

Col. Johnson, declaring that no doctor could keep him in bed, braved the weather and a slight spell of illness to take his seat of honor. At the head table were Colonel and Mrs. Johnson, O. Shaw Johnson, vice-president of the



J. H. JOHNSON

agency, with his wife and Shaw, Jr.; Mrs. M. L. Black, Miss Elizabeth Tanner, Mrs. E. A. Cameron, and Commissioner Jesse L. White. Presiding was former Lieutenant - Governor Billy Snider, Clarksdale. Among the speakers were J. H. Hines, Atlanta, southern manager, Crum & For-

ster; H. L. Dunn, vice-president of Fidelity & Deposit, which has been in the agency since its inception; Ashby E. Hill and F. E. Potter, vice-presidents of Home; E. M. Allen, executive vice-president of National Surety, and Ed Brewer, Clarksdale lawyer.

During the day friends and customers of J. H. Johnson & Co. called by the office to view the floral display and gifts. The Clarksdale Stock Insurance Exchange acted as a reception committee. At the homes of Col. Johnson and O. Shaw Johnson, open house was held.

The Arkansas Association of Insurance Agents sent a delegation which included L. R. Martin, Pocahontas; Manager Henry Ritgerod, Little Rock, and C. C. Mitchener, Mariana.

Col. Johnson purchased the present agency in 1894 and has operated it continuously. In 1898 he was one of the organizers of the Mississippi Association of Insurance Agents, and on a number of different occasions has served as its president. He was the organizer and first president of the Yazoo Delta Local Agents Association, and has served on several of the committees of the National Association of Insurance Agents. In 1935-36, he was insurance commissioner of Mississippi, filling an unexpired term, and Gov. Hugh White named him a colonel on his staff. He has been an active civic leader, serving on numerous boards and commissions of community undertakings.

### Adopt Dwelling Form in Arkansas; Agents Dubious

LITTLE ROCK—The new dwelling and household goods form was officially adopted for use in Arkansas Dec. 1, but not without some misgivings and mental reservations on the part of both agents and company men as to the operation of some of its provisions.

The new form has provoked considerable discussion in local agency circles, and will be the subject of an open forum at the mid-year meeting of the Arkansas Association of Insurance Agents in Little Rock next Monday.

Other subjects to be featured at that meeting are an agents' qualification bill and insuring post-war automobiles. Joseph Leopold, southern manager National Tax Equality Association, Dallas, will speak at the luncheon on taxation of mutuals and cooperative enterprises. Van Howell, state national director, will review the federal insurance situation, and discussions of the new dwelling and other forms will be led by members of the association's fire forms committee, consisting of F. I. Beyer, chairman, Little Rock; Fulton H. Murphy, Pine Bluff, and T. H. Pryor, Jonesboro.

Definite plans for submitting a qualification bill to the 1945 legislature will be worked out at this meeting.

### Birmingham Groups to Elect

The Birmingham Association of Insurance Agents will hold its annual meeting Dec. 11. C. C. Crawford is now president. The Insurance Women of Birmingham will elect officers the following day. Vena Dearing of W. J. Bishop & Co., adjusters, is now president.

### May Divert Part of Ala. Fire Fund to Other Uses

MONTGOMERY, ALA.—The Alabama state insurance fund, according to Hayse Tucker, director of the state department of revenue, has in the past fiscal year gained \$75,821 from underwriting and \$24,353 from investment earnings. Losses paid for the year total \$253,048, of which \$120,280 was allocated to reinsurance.

It now has an earned surplus of \$771,860 in addition to the original appropriation of \$100,000. There is now talk of diverting part of this fund to other uses, as the object of the fund, according to Mr. Tucker, is not to make a profit but to carry risks on its own properties at cost.

This fund insures state properties

valued at \$66,232,678 but reinsures half of the fire coverage and a fraction of the tornado liability with 70 companies through their agencies in Alabama. In addition, catastrophe protection against tornado losses is carried with London Lloyds.

### Dallas, Houston in Dead Heat

The Dallas-Houston 1944 fire prevention contest to determine whether Mayor Rodgers of Dallas or Mayor Massey of Houston will eat crow was practically a tie Dec. 1, so far as insured fire losses in the two cities were concerned. Houston had an insured loss of \$1,065,364 while Dallas had \$1,061,615. The insured losses, however, are but one factor in determining which city wins the contest for having done the best job in fire prevention for the year.

### Seek Fire Prevention Ordinances

NEW ORLEANS—Early adoption of fire prevention ordinances in New Orleans was urged by State Fire Marshal Palfrey at a meeting of the city-wide fire prevention committee. The committee agreed to appoint a three-man subcommittee to join with the fire marshal and Mayor Maestri in drafting a set of workable fire prevention ordinances.

### NEWS BRIEFS

R. Douglas Houser of the accounting firm of Bevis & Hunter of Charlotte, N. C., has joined the Don J. Kelleher & Associates general agency of Charlotte as engineer.

W. J. Smith, a member of the Arkansas workmen's compensation commission since its establishment in 1941, has been named by Governor-elect Laney as his executive secretary. Another insurance man, Joe N. Martin of Jonesboro, now holds that post under Governor Adkins.

The executive board of the Federation of Insurance Women of Texas meeting in Austin, discussed plans for an educational program and the organization of insurance women in all Texas cities. It was decided to invite insurance women in the smaller towns to affiliate with clubs in the larger centers. Mrs. Ethel Tucker of Houston was elected to the newly-created position of second vice-president.

The bosses' day luncheon of the Insurance Women of Dallas will be held Dec. 7. Dr. Humphrey Lee, president of Southern Methodist University, will speak. Four members of the group who have completed the N.A.I.A. educational work will be honored at a luncheon of the Dallas Insurance Agents Association in January.

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## EAST

## Loss on Canning Warehouse at Baltimore Is Substantial

There was an insurance loss of approximately \$100,000 on the contents of the D. E. Foote & Co. warehouse in the 2,000 block on Aliceanna street, Baltimore, which was destroyed by fire. Canners Exchange, Chicago, was on the contents. The five-story brick building was owned by one of the railroads, and there was a substantial insurance loss on it.

Two men are under arrest and are being held on suspicion of having set the fire.

The large portion of the contents was made up of stores of canned food stocks earmarked for the armed forces, but there were also some labeling and other type machines which were destroyed.

John D. Wiese & Co., independent adjuster, Chicago, is handling the loss.

## R. F. Babcock Is Feted

The Mountain Field Club gave a cocktail party and dinner at Manchester, N. H., to Robert F. Babcock, who resigned recently as special agent of Fireman's Fund to join the Mason agency at Keene, N. H. A number of local agents attended and presented Mr. Babcock a desk set.

## W. Va. Changes to Be Nominal

Deputy Commissioner Justice of West Virginia has been quoted in the daily press of his state as declaring there is no justification for fears that fire insurance rates will be drastically increased next year. He stated that rumors have been started due to the fact that an adjustment of rates between various classes of property is due in 1945. If changes are made, he said, there will be certain reductions as well as whatever slight increases are necessary. Any changes will be nominal.

## Md. Agents Head Former Newspaper Man

William M. Scott, the new president of the Maryland Association of Insurance Agents, is a member of the firm of Gorsuch, Scott & Geiger, Baltimore. Prior to entering insurance in 1920, he was in the business management end of the newspaper business.



W. M. Scott

Starting in the business office of the Baltimore "American," he became head of the accounting department, then manager of the foreign advertising department, and finally general manager of both the morning "American" and the evening "Star," which position he held until 1920 when the two papers were sold to Frank Munsey.

Mr. Scott then entered insurance, becoming a partner with George R. Gorsuch in the firm of Gorsuch & Walker. A few years later, Albert G. Geiger, office manager, was taken in the firm.

Mr. Scott has been an active member of the Maryland association since its reorganization and for the past six years has served as a director. He has attended all the National association conventions since 1936.

## PACIFIC COAST AND MOUNTAIN

## Cal. Association Executives Meet

OAKLAND, CAL.—The California Association of Insurance Agents at its first board meeting here accepted the recommendations of the legislative committee headed by H. H. Hendren, Sacramento, that the association continue its expressed willingness to support a state rate supervision bill if it is fair and equitable to the public, companies and agents. It was also agreed to back changes in the qualification law, extending educational requirements to agents, as well as the anti-coercion bill.

William P. Welsh, Pasadena, N.A.I.A. executive committeeman, reported on federal legislation, predicting no action during the lame duck session. Vice-president Ira Wheeler, Santa Monica, was put in charge of membership. Frank Colridge was renamed executive secretary for the 15th year. President Neal Harris, Oakland, presided.

## Opposition to New Standard Fire Policy and Other Bills Develops in Cal.

SAN FRANCISCO—Opposition to the adoption of the 1943 New York standard fire policy in California has been voiced by brokers who have suggested some changes to the state legislative conference. Agents are opposed to several measures sponsored by county mutual fire companies affecting their operations.

It appears that opposition to the proposal by the Insurance Brokers Exchange of San Francisco that applicants for agents' licenses be compelled to meet the same rigid educational qualifications now imposed upon applicants for brokers' licenses, has definitely killed that measure. On the other hand the exchange's proposal that a bill be enacted prohibiting one partner of a limited partnership from receiving an agent's or broker's license, will be introduced into the legislature after some of its phraseology has been revised.

The "anti-coercion" bill sponsored by the San Fernando Association of Insurance Agents is opposed by building and loan associations. Its sponsors, however, are expected to make a strong fight and if necessary introduce the measure independently of the conference.

Recommendations and changes, as well as objections received by the commissioner will be discussed at the final conference in San Francisco, Dec. 20.

## Oregon Agents Promote New Compensation Act

PORTLAND—Fred C. Reed, chairman of a special committee on workmen's compensation, told the executive committee of the Oregon Association of Insurance Agents at its meeting here that a draft of the proposed optional three-way workmen's compensation act has been completed and is now being printed. It will then be distributed to all members and interested companies. Agents will be asked to become thoroughly acquainted with the subject and discuss the bill with legislators before the 1945 session of the legislature, which begins Jan. 8. A synopsis of the bill's principal features and a question and answer folder also will be furnished to agents.

The Oregon agents' qualification law is functioning smoothly and is proving effective in keeping persons not serious about the insurance business from securing a license, Leslie Wadsworth of Salem, who was president of the Oregon Association of Insurance Agents and chairman of its legislative committee in 1943 when the present act was passed,

reported. He praised Commissioner Thompson's administration of the law and said the act has served its intended purpose of deterring persons seeking licenses to write a single piece of business.

## Report on Philadelphia Meeting

A report on the Philadelphia company-producer conference was given by George W. Haerle of Charles W. Sexton Co., who, with President V. J. Robinson of the Oregon association, attended the meeting. Mr. Haerle covered all of the developments since the Supreme Court refused to rehear the S. E. U. A. case.

Clarence Ellis, head of the financial responsibility division under Secretary of State Farrell, told the committee of some changes in the Oregon law which the department contemplates introducing at the coming session of the legislature. These changes principally involve administrative features and would facilitate enforcement of the law.

H. C. Pownall, chairman of the pub-

lic insurance committee, reported on the insurance of the state liquor commission. An attempt, he said, is being made to place burglary and holdup cover on the liquor board's stock.

Harry Hollister reported for the contact committee, in the absence of Claude Nasburg, Marshfield, chairman of the committee, who had undergone a minor operation. The agents' committee went to San Francisco Nov. 16 for a meeting with the Oregon Conference Committee.

President Robinson asked the Portland members of the committee to consult further with Charles Wagner, manager of the Oregon Insurance Rating Bureau, regarding contemplated rate and rule changes.

## Discuss Bank Auto Finance Plans

SEATTLE—Executive committeemen and local board presidents of the Washington Association of Insurance Agents, meeting here, heard Henry Schaefer, vice-president Seattle Trust & Savings Bank and chairman of the consumers' credit committee of the Washington Bankers Association, outline post-war automobile and chattel direct financing by banks. A. W. White, chairman of the Washington association's



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4. Premiums and losses of fire and casualty companies for the last two years.

5. Insurance paid for and in force of life companies for the last three years.

6. A special listing of fire, casualty and life field men, general agents and managers.

7. All licensed local agents and brokers listed by cities and towns with fire protection classifications and populations.

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The National Underwriter publishes Underwriters' Hand-Books for Chicago and the following states: Ala.-Ga.-Fla.; Ark.; Cal.; Rocky Mountain; Ill.; Ind.; Iowa; Kan.; Md.-Del.-D.C.; Mich.; Minn.; Mo.; Neb.; N.D.-S.D.-Ohio; Okla.; W. Va.; and Wis.

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financed accounts committee urged that local agents throughout the state lay their post-war financing plans immediately.

Following a report, by Charles P. Carroll, Spokane, chairman of the contact committee the executive committee voted instructions to the contact committee to request a meeting with the Washington Advisory Committee for January to discuss hire rate and rule matters of current concern to Washington agents.

Secretary-Treasurer Willard H. Scott, Seattle, said the association's membership is at an all-time high of 353.

The executive committee considered complaints from various parts of the state that considerable difficulty is being encountered in placing physically-impaired and other classes of automobile risks. A suggested course of action was approved by the committee.

## Tells C. of C. About Insurance

V. R. Lee, president Washington Association of Insurance Agents and state senator from Lewis county, told his home-town chamber of commerce at Chehalis some of the problems and activities of organized agents. He reviewed some of the developments which were in the spotlight at the Milwaukee convention of the N. A. I. A. In discussing the Supreme Court decision in the S. E. U. A. case, Mr. Lee said Washington agents are getting along well under the existing system of state supervision.

## F.C.A.B. Reopens at Walla Walla

The Fire Companies Adjustment Bureau has reopened its office at Walla Walla, Wash., in the Drumheller building. It is in charge of Capt. C. D. Norton, who has been honorably discharged from the army after seeing service in the Pacific area. He attended the University of Oregon and Northwestern College of Law and joined F.C.A.B. in 1938 after eight years previous adjusting experience. He was with F.C.A.B. at Spokane when he entered the army.

## New Extended Cover Endorsement

The Pacific board has announced a rule change which permits inclusion in the extended coverage endorsement of trees, shrubs, plants, yard and garden improvements only on the premises of a risk of the dwelling class, at a rate of \$1. Formerly this class of property was not insurable under the extended coverage endorsement.

## Blue Cross Talk in Spokane

D. M. Neely told the Spokane Insurance Association about the operation of the Blue Cross plan.

The matters of finding a market for drivers who are unable to get automobile insurance through regular channels and the payment of commissions on Washington state liquor control board insurance were referred to the state association executive committee.

## Meetings Replaced by Bulletins

LOS ANGELES — Because of the difficulty in securing a meeting place, the Insurance Association of Los Angeles has suspended its monthly gatherings temporarily and has substituted therefor a semi-monthly bulletin service which will give members the information that formerly was brought out at the meetings.

## Jones to Be Independent Adjuster

R. E. Jones, manager of the loss department in the Pacific Coast branch office of the Loyalty group in San Francisco for 10 years and with that group 13 years, has resigned to open an independent adjusting office in Los Angeles.

## NEWS BRIEFS

Winners of New York Underwriters' election prediction contest at the Wash-

ington and Oregon agents' conventions were Paul Swift, Spokane, predicting 404 for Roosevelt and 127 for Dewey, and Port Investment Co., Portland, 426 and 105. Each was awarded a \$25 bond.

The Pierce County Insurance Agents Association has designated its Dec. 7 dinner meeting at Tacoma as "Pearl Harbor Night." V. R. Lee, Chehalis, president Washington Association of Insurance Agents, will speak.

John Dunlap, United Press, told the Insurance Women's Association of Portland, Ore., about the gathering, relaying and editing of foreign news.

# CANADIAN

## Winnipeg Institute Meets

At the inaugural dinner of the Insurance Institute of Winnipeg, D. R. P. Coats of radio station CKY spoke on "Back to Civies," reviewing the work being done by the air force and other services to assist returning men and women to reestablish themselves.

Leslie O. Rowland, with a three-year average of 84.1%, was presented the casualty course scholarship by Herbert Hunter, superintendent of insurance. On behalf of the institute, N. J. Black conferred a life membership on R. O. Taylor, retiring after 48 years in the business.

## Vincent Made B. C. Manager

C. W. T. Vincent, who has been inspector of the Caledonian group at Calgary, has been appointed manager for British Columbia, with offices in Vancouver. This office will become a British Columbia branch. Previously, only a service office was maintained there. F. C. Burgess, who has represented the Caledonian in British Columbia, has retired on pension.

## Urge Ontario Qualification Move

TORONTO — A special executive meeting of the Ontario Insurance Agents Association will be Dec. 12. It is indicated that agents qualification will be discussed at some length. It is being urged that Ontario go ahead and inaugurate a qualification scheme, without waiting for other provinces to come into a Dominion-wide plan.

## Urges Pushing of Comprehensive

TORONTO — Sales of comprehensive liability insurance in Canada are far below the total market that exists for such protection, A. W. Eastmure, managing director of Casualty Company of Canada, told the Toronto & District Insurance Agents Association.

He suggested obtaining the services of one of the returned service men to specialize in liability insurance.

## Hardware Mutuals' Shifts

TORONTO — F. B. Dalglish, for 20 years chief agent in Canada of the Federated Hardware Mutuals, has resigned to enter the adjusting business in Kingston, Ont.

R. F. Wilson, formerly assistant manager here and for the past year manager in Winnipeg, returns to Toronto as chief agent in Canada.

## War Risk Premiums Hold Up

James Matson, supervisor of war risk insurance in Canada, reports that for the second complete year of operation premiums collected were \$2,941,583. After making allowance for a 20% reduction in rates, this represents 75% of the premiums for the first year.

## Two Companies Give Added Pay

Phoenix Fire has voted a Christmas bonus equivalent to 5% of the annual earnings to some 800 employees. Travelers has voted to continue payment of the 8½% additional compensation given quarterly to its employees in the last few years.

# MARINE

## Ship to Shore Cover Reduced

WASHINGTON — The War Shipping Administration has reduced the rates for ship to shore coverage subject to provisions of standard optional endorsement XVI on any voyage covered by the endorsement from 5 cents percent to 3¼ cents percent per voyage.

The bulletin makes no other changes in WSA war risk rates on cargoes of imported coffee, cocoa or cacao beans or cresylic acid covered under war ship open cargo policies, or additional rates for coverage of standard optional endorsement No. 1 relating to voyages throughout the world.

L. J. Haefner, chief of WSA insurance division, says it is "confining its acceptances now to a very limited degree." The present change results from commercial underwriters reducing rates.

It is stated that important changes are impending in the WSA insurance division.

## Cochrane Resigns Home Post

SEATTLE — C. E. Cochrane has resigned as Pacific northwest marine manager of Home and Franklin Fire. Mr. Cochrane, who had been with Home for 20 years, expects to announce his future plans soon.

## O. K. Locker Cover in Mich.

The committee on interpretation and complaint at the request of Commissioner Forbes has authorized the insuring of cold storage lockers in Michigan under a marine form.

# STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, Dec. 4, 1944.

	Par	Div.	Bid	Asked
Aetna Cas. ....	10	5.00*	130	135
Aetna Fire ....	10	1.80*	51	53
Aetna Life ....	10	1.50*	38	40
Agricultural ....	25	3.25*	76	79
Amer. Alliance ..	10	1.05*	21	22½
Amer. Cas. ....	10	.60	11	12
Amer. Equitable ..	5	1.00	16	17
Amer. Home ....	10	.60	10½	12
Amer. (N. J.) ..	2.50	.60*	14½	15½
Amer. Surety ....	25	2.50	59	61
Balt. Amer. ....	2.50	1.30*	6½	6¾
Boston ....	100	21.00	615	630
Camden Fire ....	5	1.00	20½	21½
Contl. Cas. ....	5	1.80*	45	46½
Contl. N. Y. ....	2.50	2.00*	47	49
Fidelity-Phen. ....	2.50	2.20*	52	54
Fire Assn. ....	10	2.50*	65	67
Firemen's (N.J.) ..	5	.40	11½	12½
Fireman's Fund ..	10	3.00	87½	90
Franklin Fire ..	5	1.00	21	22½
Glens Falls ....	5	1.85*	43	45
Globe & Repub. ..	5	.50	7½	8½
Gl. Amer. Fire ..	5	1.20*	28	29
Hanover Fire ....	10	1.20	25½	26½
Hartford Fire ....	10	2.50*	98	101
Home (N. Y.) ....	5	1.20	26	27
Ins. Co. of N. A. ..	10	3.00*	89	91
Maryland Cas. ....	1	.75	7½	8½
Mass. Bonding ..	12.50	3.50	73	75
Natl. Cas. ....	10	1.25*	27½	28½
Natl. Fire ....	10	2.00	57	59
Natl. Liberty ....	2	.30*	6¼	6¾
Natl. Un. Fire ..	20	5.00*	167	173
New Amst. Cas. ..	2	1.00	27	28½
New Hamp. ....	10	1.80*	44½	46½
North River ....	2.50	1.00	21	22
Ohio Cas. ....	5	.80	25½	27
Phoenix, Conn. ..	10	3.00*	83	85
Preferred Accl. ..	5	1.00*	12	13
Prov. Wash. ....	10	1.40*	32	34
St. Paul F. & M. ..	10	12.50	68	72
Security, Conn. ..	10	1.40	32	34
Sprgfld. F. & M. ..	25	4.75*	120	123
Standard Acc. ....	10	1.45	35	37
Travelers ....	100	16.00	525	535
U. S. F. & G. ....	10	1.50*	36½	37½

\*Includes extras.

Fred C. Richardt, prominent local agent of Evansville, Ind., has returned with Mrs. Richardt from a shopping trip of 10 days in New York and two days in Chicago.

Arthur C. Sanderson, 57, founder of the Sanderson Brothers Agency at Providence, R. I., 35 years ago, died there after a brief illness.

Jerry D. Mommence, 66, for 30 years a local agent in Toledo, died after a long illness. The agency will continue under his name.



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Then, the hospital, with all their precious lives before them... Their gratitude for the innumerable small, but vitally important comforts brought to them by Red Cross Nurse's Aids and Gray Ladies is expressed by eyes grown bright—or a simple "thanks."

Only a few of us can actively serve the Red Cross in the far-flung battle areas, but there *is* something we can *all* do no matter where we are. We can humbly share our blood... We can divide our time... We can give our money... We *can* and *must* help.

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